



Daily Report

East Asia

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Japan

Takeshita Arrives for Talks With Bush

OW0202084989 Tokyo KYODO in English 0327 GMT
2 Feb 89

[By Antonio Kamiya]

[Text] Washington, Feb. 1 KYODO—Japanese Prime Minister Noboru Takeshita arrived here Wednesday for talks with President George Bush after pledging Japan's full support for United Nations' peace efforts in a meeting with the UN secretary general in New York.

A special Japan Air Lines plane carrying the Takeshita party arrived at Andrews Air Force Base at 6:47 p.m. after a 45-minute flight from New York.

Mike Mansfield, former ambassador to Japan and his wife Maureen welcomed the prime minister at the Air Force base just outside the capital.

Secretary of State James Baker later greeted Takeshita at Blair House, the government guesthouse where Takeshita and his wife Naoko will stay during their 3-day stay in the U.S. capital.

Takeshita will meet Bush at the White House on Thursday for a broad exchange of views on bilateral ties and common global issues facing the two allies, Japanese officials said.

Foreign Minister Sosuke Uno, who is traveling with Takeshita, will meet Baker separately before the Takeshita-Bush summit.

The White House meeting over lunch is primarily designed to establish a personal rapport between the two leaders, Japanese officials said.

Takeshita will be the first foreign leader to call on Bush following his inauguration.

Before flying into Washington, the highlight of his 8-day U.S. visit, Takeshita had an hour-long meeting with UN Secretary General Javier Perez de Cuellar at the United Nations Headquarters.

He also toured Columbia University where he received an honorary degree in law in 1986.

Takeshita, an avid supporter of UN peace efforts, pledged Japan's all-out support for the world body, saying that the United Nations forms a central part of Japanese diplomacy.

Takeshita also told Perez de Cuellar that Japan will "mobilize all its resources, human, technological, and economic, for the sake of maintaining peace and prosperity in the world," a senior Foreign Ministry official said in briefing reporters on the meeting.

Japanese officials told reporters that Takeshita briefed Perez de Cuellar on Japan's plan to host a series of UN-sponsored conferences in Japan, including a disarmament conference to be held in Kyoto from April 19 to 20.

Perez de Cuellar pledged to inform Japan on UN peace efforts and expressed appreciation for a Japanese decision to send civilian representatives to help the UN monitor pre-independence elections in Namibia scheduled for November.

Japan's 2-year term as a nonpermanent member of the UN Security Council expired last December, but Takeshita told Perez de Cuellar that Japan would continue its support for UN peace efforts from outside the Security Council, Japanese officials said.

Takeshita said Japan welcomes a UN-brokered agreement between Iran and Iraq to set up a mixed military working group to settle conflicts which might arise from their cease-fire.

The agreement, worked out by Perez de Cuellar's personal envoy Jan Eliasson during a trip to Tehran and Baghdad last week, is aimed at keeping the fragile cease-fire between the rival two Gulf nations in place, Japanese diplomats said.

Perez de Cuellar also indicated that Japan should play an active part in settling the 10-year-old Kampuchean conflict, saying that Japan is "very important" for countries in the region.

Takeshita pledged to "strengthen and intensify" Japan's support for the UN, particularly in peacekeeping matters and the settlement of regional conflicts.

Takeshita told Perez de Cuellar that his government has allocated 280 million dollars in support of UN peace activities over a 2-year period.

But another Japanese spokesman briefing reporters on the meeting said that there was an increasing recognition in Japan that it was not enough for Tokyo to contribute money to UN peace efforts.

"We should also contribute our sweat for that purpose," he said.

While in Washington, Takeshita will also call on U.S. congressional leaders and officiate in a ceremony to award Japan's Grand Cordon of the Order of the Rising Sun with Paulownia Flowers to Mansfield.

Policy Coordination Sought

OW0202084689 Tokyo KYODO in English 0809 GMT
2 Feb 89

[By Antonio Kamiya]

[Text] Washington, Feb. 2 KYODO—Japan's Prime Minister Noboru Takeshita plans to seek an equal partnership with the United States through "joint endeavors" in tackling global issues in his talks with President George Bush on Thursday, Japanese diplomatic sources said.

The sources stressed the Japanese Government will undertake its international obligations in "its own way" while deferring to the U.S. for the continued leadership of the Western world.

These Japanese policy aims were divulged on the eve of the Japan-U.S. summit meeting at the White House, the first between the two leaders since Bush's inauguration on January 20.

Japanese officials said the fact that Takeshita is the first foreign leader invited to call on Bush reflects the importance Washington attaches its ties with Japan, the second-largest economic power in the world.

"Together our two countries now account for one-third of the world's GNP, and half that of the Free World," said a Japanese Foreign Ministry official responsible for formulating Japan's policy toward the U.S.

Japanese diplomats said the message which Takeshita plans to deliver to Bush is "policy coordination" and "joint endeavors"—new buzz words inside the Japanese Foreign Ministry.

Tokyo's search for a more activist diplomatic role reflects a new confidence among Japanese policymakers and the changing balance of economic strength between the two allies: Japan as the biggest creditor nation in the world and the United States the largest indebted country.

The policy coordination Tokyo is seeking will not be limited to the management of macroeconomic and financial policies, a practice already established among the seven industrialized democracies through frequent consultations among their finance ministers and the heads of their central banks, Japanese officials said.

They said Japan wants to promote "policy coordination" with U.S. on global issues, ranging from the diplomatic arena to the global environment.

"The world is watching us," one Foreign Ministry official said, citing the necessity for a common Japanese-U.S. approach in their Soviet policy, and regional issues in Asia, Latin America and Africa.

"In the past, Japanese and U.S. consultations were primarily limited to the Asia-Pacific region," the official said. "Now what happens in Latin America also affects us," he added, in an apparent reference to the sustained debt crisis in the region.

Japanese officials, however, sought to play down any perceived Japanese arrogance, saying that Japan will ask the U.S. to continue to "discharge its responsibility" as leader of the Western world.

"The responsibility that falls on the U.S. as a global power cannot be replaced by anybody else," a Japanese Foreign Ministry official said.

Japanese officials, however, stressed Japan has "its own way of doing things" and ruled out playing a bigger military role through major boosts in defense spending.

"It is neither feasible nor desirable" for Japan to allocate the same level of GNP for defense as in the case of the United States or its NATO allies, a Foreign Ministry official said.

The comment reflects the official Japanese policy of increasing economic aid to The Third World as part of Takeshita's pledge to boost "Japan's contribution to world peace."

Japanese officials said Takeshita does not plan to raise specific issues during the summit but "it won't be strange" if the American side does so because the meeting is scheduled to last three hours.

Takeshita, accompanied by his wife, arrived in Washington Wednesday evening, following a 24-hour stop in New York where he met United Nations Secretary General Javier Perez de Cuellar.

Takeshita told Perez de Cuellar that Japan would fully support the U.N.'s peace efforts, saying Tokyo "will mobilize all its resources, human, technological and economic, for the sake of maintaining peace and prosperity in the world," Japanese officials said.

During his three-day stay in the U.S. capital, Takeshita will also call on U.S. congressional leaders and officiate at a ceremony to award Japan's Grand Cordon of the Order of the Rising Sun with Paulownia Flowers to former U.S. Ambassador to Japan Mike Mansfield.

Mansfield served in the Tokyo post for 11 years before he retired last December. Takeshita will also visit Los Angeles for a meeting with former U.S. President Ronald Reagan before heading home next Monday.

Economic Issues on Agenda

OW0202093389 Tokyo KYODO in English 0904 GMT
2 Feb 89

[By Antonio Kamiya]

[Text] Washington, Feb. 2 KYODO—Japan's Prime Minister Noboru Takeshita plans to tell U.S. President George Bush that closer policy coordination is needed between the two countries over global economic issues ranging from the management of the debt crisis in the Third World to maintaining the world's trading system, Japanese officials said Thursday.

The officials, in outlining the economic topics Takeshita plans to raise with Bush in their meeting Thursday, added, however, that the encounter is not meant to tackle any specific economic issues between the two countries.

"It will be a meeting of minds," a Foreign Ministry official said in anticipating the meeting over lunch at the White House.

Japanese officials said the Japanese side at the meeting, including Finance Minister Tatsuo Murayama, plans to raise broad issues such as the Third World debt problem, the Uruguay round of multilateral trade negotiations and the management of macroeconomic policies, as well as multilateral aid to the Philippines.

Japanese officials did not rule out the possibility, however, that the American side may raise specific issues, because the session is scheduled to last at least three hours.

The Japanese side plans to ask the U.S. to "reconfirm" the U.S. commitment to free trade and urge the Bush administration to "act prudently" in implementing the new omnibus trade law enacted last year under former President Ronald Reagan.

There is concern in Tokyo that Japan's trade practices may emerge as an issue at the meeting as Japan's trade surplus with the United States is increasing again after easing off since 1987.

The message which Takeshita plans to deliver to Bush is closer to "policy coordination" and "joint endeavors" between Tokyo and Washington, Japanese officials said.

They said Japan hopes to conduct its negotiations with the U.S. through "quiet dialogue" and avoid trade disputes flaring up.

On the debt problem, Japanese officials said they do not anticipate any concrete ideas to emerge from the talks since the two countries are in the process of reviewing their policy stands on the issue.

"Neither of us is in a situation to talk in specifics at the summit level," a Foreign Ministry official said.

Concerning the U.S. budget deficit, Japanese officials said Tokyo has "great expectations" on the ability of the Bush administration to handle it, noting that Bush has recognized the importance of the issue.

Japanese officials are underlining the diplomatic significance of the fact that Takeshita is the first foreign leader invited to call on Bush, saying that it reflects the importance Washington attaches to its ties with Japan, the world's second-largest economic power.

"Together our two countries now account for one-third of the world's GNP, and half that of the Free World," said a Japanese Foreign Ministry official responsible for formulating Japan's policy toward the U.S.

The U.S. side at the summit will include Treasury Secretary Nicholas Brady and Secretary of State James Baker.

Murayama is here in Washington to attend a meeting of Group of Seven finance ministers and central bank leaders set for Friday.

Defense Discussion Slated

OW0102124489 Tokyo NHK General Television
Network in Japanese 1000 GMT 1 Feb 89

[Text] Tazawa, director general of the Defense Agency, predicted at a news conference in Naha today that when Prime Minister Takeshita meets U.S. President Bush in Washington on 3 February, he will seek U.S. understanding regarding Japan's steady efforts to upgrade its military capability.

Defense Chief Tazawa said that Prime Minister Takeshita will explain at the summit meeting Japan's 1989 budget which envisages expansion of the domestic demand, increase in the official development assistance, and 5.9 percent growth in defense spending.

Fishery Talks With USSR Scheduled To Begin

OW0102135289 Tokyo KYODO in English 1221 GMT
1 Feb 89

[Text] Tokyo, Feb. 1 KYODO—Japan and the Soviet Union will start their first preliminary consultations in Moscow next Tuesday to lay the groundwork for the Japan-Soviet fishery committee meeting expected to begin in March, the fishery agency said Wednesday.

At issue is a Soviet proposal for a total ban until 1992 on offshore mothership fishing of Soviet salmon and trout in the northwest Pacific outside the Soviet's 200-mile economic waters. The Soviets want to ban such fishing since they believe trout is a diminishing resource, agency officials said.

Japan disputes the Soviet claim, saying that Soviet catches in its coastal area far surpasses that of Japanese fishing vessels.

They also said that the Moscow talks will also touch on the U.S. federal court of appeals ruling last May that Japanese salmon fishing in the 200-mile U.S. economic zone should be terminated to prevent accidental catching of seals.

The officials noted the U.S. ban despite a bilateral accord reached in the previous Russo-Japanese fishery talks that such fishing should be allowed in the area.

Under the circumstances, 129 boats with some 2,200 fishermen abroad are docked as a result of the continuing dispute, they said.

The same officials also said that Japan will also ask the United States at fishery consultations with U.S. and Canada opening later this month to extend fishing to the open sea from the area limited to within the U.S. 200-mile economic zone.

They added that Japan will ask the U.S. to change to a fishing base system from the current conventional mothership arrangement.

*** Article Examines MITI Policies for 1989**
41050038 Tokyo JIHYO in Japanese Nov 88 pp 74-79

[Article by Masamori Sugita]

[Text] Signs calling for "A Japan That Contributes to the World" can be seen at entrances to the various agencies of the Japanese Government. This phrase seems to be the watchword in Japan these days. But what kind of contribution is intended? Making a contribution means giving assistance, and if there is no assistance and support to give, these are nothing more than words.

However, there is actually plenty to back up these words. Japan's GNP makes up 15 percent of the world's GNP, Japan is the number one supplier of capital (\$240 billion) in the world, and Japan's manufacturing technology is among the best in the world. Japan's standing could not be much higher.

Therefore, it seems reasonable to assume that given international rules of behavior, Japan could lend a hand to nations that are troubled and suffering, without having to feel too stingy. If it did not do so, it would be ostracized from the global village.

If one reflects on how Japan came to occupy the high position that it has today, one realizes that it did not get where it is only through its own efforts. Thanks to the strong "safety net" provided by the United States, and under the system that the Americans had built up through their own struggles, Japan became stronger and grew in stature. It has been said that it is commonly accepted in the United States that Japan's "success" has been achieved at the "expense" of the United States. In his book "Japan as Number One," Prof. Ezra Vogel of

Harvard University wrote, "Future historians will probably consider the 1980's the era when Japan finally caught up to the United States, and achieved a commanding position."

Although I do not think that the United States made sacrifices so that Japan could prosper, I do believe that Japan has been able to grow rich nurtured by the United States. While I think it's all right for Japan to compete with the United States, I think it is going too far when it pushes the United States to the point of "crying uncle." It is natural for a country that owes a debt of gratitude to another to help the other when it seems to be slipping.

With Japan's behavior coming to increasingly reflect its sense of responsibility as an economic giant, we have seen that the desire of the people for spiritual riches and high spiritual values has been an outcome of the fulfillment of their physical needs and desires. This can be seen in the progression from the fifties, which was an age of politics and diplomacy, to the sixties, which focused on economic concerns, to the seventies, during which economics could not be discussed without including social and cultural concerns. As we near the end of the eighties, that impression has become even deeper.

Under these various internal and external conditions, MITI, which has had a tremendous role to play in Japan's economic growth, has surveyed Japan's economy and society over the mid- and long-term almost every 10 years, both in the seventies and in the eighties. These surveys reveal the nature of MITI's policies. Now that less than 2 years remain until the nineties, MITI has laid out the theory behind its policies, as well as overall considerations regarding specific policies in its report "The Nature of Trade and Industrial Policies for the nineties." However, in this article, we will attempt to determine the characteristics of MITI policies for 1989.

The Four Directions of Trade and Industrial Policies

MITI's trade and industrial policies have four basic directions. The first is a positive contribution to the world economy. The second is the realization of a trade, investment, and industrial structure that is in harmony with international economic society and is oriented toward globalization of industrial activity. The third is the laying of a foundation for independent development with a view toward the 21st century. The fourth is the realization of a standard of living for the people where the products of a developed economy are everywhere available.

In formulating policies that relate to the first policy direction, namely, contributing to the world economy, there are four points that must be made. First of all, in order to develop a harmonious world economy, it is essential to plan for the economic development of developing countries, including countries with accumulated

foreign debt. Accordingly, the flow of capital to developing countries must be assured, and comprehensive cooperation, which consists of the "trinity" of aid, investment, and trade, must be promoted. Secondly, the countries of the Asia-Pacific region, which have achieved relatively high economic growth, but are also facing a variety of problems, will increase in interdependence. To achieve a balanced economic development, and to contribute to the development of the world economy, mutual cooperation between these countries and Japan and the United States will be essential. Thirdly, Japan, which possesses superb technical capabilities, must make a major contribution to research and development efforts in the leading scientific and technical fields, and to solving environmental problems on a global scale. Such efforts require the consolidation of the collective wisdom of mankind. Fourthly, the GATT Uruguay round is now in progress, and efforts are being made to formulate a new framework for order in world trade, including the realization of the trend toward regional cooperation in all fields. Japan must base its contribution on supporting and strengthening the free trade system, and must take positive action to respond to the new trend in regional cooperation.

If we limit ourselves for the moment to trade relations among Japan, the United States, and Asian countries, we see that what is needed in the future is the simultaneous lowering of the United States' trade deficit (curtailing the expansion of imports into the United States, that is, curtailing Asian exports to the United States) and the assurance of a steady increase in those exports that are necessary for the economic development of Asian countries. To achieve these two objectives simultaneously, the Japanese must readily absorb Asian finished products, so that Japan becomes an "import giant." For Japan to expand its imports, Asian countries must start to modify their export efforts, which tend to be geared toward the United States, and work toward healthy economic growth. Once the Asian countries have reached a certain level of economic development, their markets will be able to achieve what is expected of them. These are some of the areas in which we can make an important contribution to the development of the world economy.

The following three points must be considered in formulating policies relating to the second policy direction, namely, globalization of industrial activity. First, international economic policy coordination has taken on greater importance, not only from the macro standpoint, but also from the micro standpoint, in formulating plans for the creative development of the world economy. Given the deepening interdependence and great imbalances that prevail, industrial policies must be developed which are responsive to these realities. Second, due to the increased strength of the yen, the area in which Japanese industry has come to operate in recent years has greatly expanded; this will be an important factor in planning for a smooth and appropriate globalization of industrial activity. Third, due to the rapid restructuring

of Japanese domestic industry, there is concern about the effect on employment, regional economies, and sub-contractors. Thus, efforts to alleviate the effects of such rapid restructuring, and to bring our industries into harmony with the rest of the world are thought to be necessary.

The substance of the globalism that is required to create a new world order can be outlined as follows. First, free global economic and cultural exchanges, which are based on changes in the interrelationships between politics and military affairs, on the one hand, and economics and culture, on the other, in the world system, will bring about a healthier world political scene, and will lead to stability in the world. The aim is to establish a system of global solidarity which has as its focus economics and culture. Second, in addition to efforts to revitalize and increase the effectiveness of international organizations such as GATT, OECD, and IMF, an "open circle" of national relationships should be formed as a subsystem which supports multilateralism. Third, in establishing future international rules, the uniform application of the rules of advanced countries must be avoided. Efforts must be made to employ flexible rules which take into account the various levels and modes of development of the countries of the world. To bring about true globalism, a broad-minded and all-encompassing scheme must be created to respond to the different points of view of the various countries. If it is to support this globalism, Japan must reform itself so that it can completely open up to the rest of the world.

The following four points must be taken into consideration regarding policies for promoting the opening up of new industrial frontiers and technological development. First, in order to promote the opening up of new industrial frontiers, it is necessary to make possible the smooth development of new enterprises with high growth potential by introducing capital and offering information. Second, for Japan, which is poor in natural resources, to support the future vitality of its industry, and to further its position of importance in the world, it must enhance its technological capacity. In order to do this, Japan must not only develop its research and development system, but must also actively promote the development of technology in fields which have a tremendous "ripple effect." Third, in order to advance the foundations for the establishment of an advanced information society, policies to promote the "spread of information" must be actively developed with increasing personal contacts and networking. Fourth, to improve technology, both appropriately and efficiently, the Industrial Property Rights System must be strengthened, and standardization must be encouraged.

The following three points must be taken into consideration regarding policies for regional revitalization. First, with the increasing service and "soft" orientation of the economy, the concentration of industrial capacity and information in the Tokyo area has increased in recent years. This has widened the chasm between the Tokyo

area and local regions, and, as indicated by the Ad Hoc Commission on Administrative Reform, the importance of dispersing industrial capacity is greater than ever before. Thus, a comprehensive policy for regional revitalization is required. Second, to strengthen regional economic bases, regional industries (and industrial properties) must be revitalized, and the development of local areas so that they are responsive to the new age is urgently needed. This will involve urban centers for "information disseminating" and "internationalization" and technology bases which will highlight the individuality and autonomy of the local areas. Third, it will be necessary to set up a system to strengthen the operations of regional MITI bureaus, so as to assist in the revitalization of the local areas.

The following two points must be taken into consideration regarding policies which will allow for the realization of a standard of living for the people where consumer goods will be abundantly available. First, with the development of the service sector of the economy, the role of the distribution industry in bringing about such standard of living has greatly increased, making it necessary to establish new policies involving this industry. Second, there is still a big gap between the increased economic power of Japan, illustrated by the fact that its per capita GNP now exceeds that of the United States, and the actual feeling of prosperity on the part of the people. A variety of policies must be promoted diligently if we are to achieve a more comfortable standard of living and a fuller cultural life.

The following three points must be taken into consideration regarding policies for promoting small and medium-sized businesses. First, small and medium-sized businesses form the base for Japan's economy, since they encompass a wide variety of activities. Small and medium-sized businesses have played an active role in the process of restructuring Japan's industry, and they have greatly contributed to the development of local economies and to solving the problem of employment mismatch accompanying this restructuring. In the future as well, the cultivation of vital small and medium-sized businesses will be indispensable in promoting the smooth conversion of Japan's industrial structure and the revitalization of local economies. Second, in the current economic environment a number of difficult circumstances exist for small and medium-sized businesses, such as the firm strength of the yen and the expansion of parent companies overseas. However, to make for smoother restructuring, the management base of small and medium-sized businesses must be strengthened, and they must respond appropriately to the challenges that confront them in the environment. Third, consideration must be given to the concern of small and medium-sized businesses regarding the introduction of a sales tax. Measures must be taken to ensure the smooth introduction of such a tax.

The following four points must be taken into consideration regarding the promotion of natural resource and energy policies. First, according to the "Long-Term

Energy Supply and Demand Outlook" published in October of 1987, comprehensive energy policies must be promoted. Second, efforts must be made to deregulate the petroleum industry, to strengthen the structure of this industry, and to promote security measures in it. Efforts must be made to gain the understanding of the people regarding nuclear power. Third, alternative energy sources must be sought, and energy conservation must be promoted. Fourth, stable supplies of minerals and nonferrous metals, such as rare metals, must be guaranteed.

In the above discussion, we have outlined the gist of the trade and industrial policies for 1989. The underlying theme has been positive contributions to the world economy and the globalization of industrial activity.

Regarding these two points, the author recommends a report published by the "Sentaku" ("Choices") Study Group 3 months ago, which discusses the crucial policies of MITI mentioned above.

What Is the New Globalism?

The report bears the title "Contributions to the 'New Globalism' and the Choice of a 'New Industrial and Cultural Nation.'" The report deals with the development of future trade and industrial policies, and is primarily concerned with fundamental principles for these policies, as viewed from a long-term perspective.

The gist of the report "Japan's Choice" is that the order that has supported the post-war world is undergoing great changes, and there are indications that movements toward a new framework have begun. Amidst all these changes in the world order, Japan itself is approaching a historical turning point. According to the report, Japan must choose a path as a "New Industrial and Cultural Nation," and develop policies that will help it to participate in the "New Globalism" in a new world framework.

Globalism was the basis for the post-war development of Japan, the United States, and Europe. As shown by the U.S.-Soviet summit meetings, the superiority of the West's global system has become evident to the East. Japan is in a position to take the lead in advocating a new globalism so as to prevent the collapse of Western globalism. Japan has plenty of reserve strength and influence to do this.

The concept of "New Globalism" aims first of all at forming a system of international solidarity having as its main focus economic and cultural exchanges within the world system. Secondly, it aims to support and strengthen the GATT and IMF systems, and to form an open circle of international relationships to achieve this. This also means a restructuring of the global free economic system, and emphasizes the role of Asia-Pacific countries in this world order. Thirdly, it aims to employ flexible international rules which will take into account

the variety of development stages and modes of development. Fourthly, it aims for a complete opening up of Japan to the rest of the world; this would be brought about by Japan reforming itself.

One of the special features of this report is its recognition of Japan's leadership role in achieving this "New Globalism." This is in agreement with MITI's policies for 1989, which call for Japan's increased contribution to the world.

What Is the New Industrial and Cultural Nation?

Another special feature of this report is reflected in the idea of a "New Industrial and Cultural Nation." Here, security is guaranteed primarily by a cooperative system. Under such a system, Japan's security would be maintained, on the one hand, by the defense forces, and by the direct linkage of defensive power and economic power and other national strengths. Through Japan's international contributions and interdependence with other countries, its usefulness in international society will increase. Thus, a unified cooperative system must be built.

Secondly, Japan's international contributions can be promoted by cultivating its strengths in the economic, technological, and cultural realms. Public resources must be used to smoothly manage the world economy, by using capital (economic cooperation), technology (technology transfers), and markets (trade), all based on the support of the free trading system. Contributions to world peace and prosperity can be made through the creation of new styles of industry, lifestyles, and cultural styles.

Reformation of the domestic structure is essential for building a "New Industry, Life, and Cultural Style" (creative culture), so as to make way for a "New Industrial and Cultural Nation" and to contribute to the world. In order to bring about such a reformation, the people's consciousness must be directed toward a spirit of volunteerism and "enlightened self-interest." In addition, the environment must be prepared for new ideas and choices. Moreover, there must be an escape from "money game" politics and there must be a correction of internal and external imbalances, as well as system reform in favor of a creative system, expansion of scientific and basic research, revitalization of local regions, and various other policies.

We expect Japan to make significant contributions both to the "New Globalism" and to the "New Industrial and Cultural Nation." The underpinnings of this contribution to the world are to be found in MITI's policies for 1989. Japan has an obligation to contribute to the world in proportion to its strength as a nation, for the sake of long-term and stable economic development. Japan must respond to the demands that are being made on it.

The concept of a "New Industrial and Cultural Nation" describes the concept and objectives for the nation. I don't think that this will be swallowed up in the whirlpool of relativism that is prevalent today, but, in spite of the demise of absolutism, it will be clear that there is only one "choice" to be made, and that this will signify a historical turning point for Japan. Japan is too big to float aimlessly without a goal. It can be said that MITI, the leader of the economic agencies, has taken the initiative and has made its own choice.

North Korea

Government Downgrades Relations With Hungary
SK0202142089 Pyongyang Domestic Service in Korean
1207 GMT 2 Feb 88

[Text] The spokesman for the DPRK Ministry of Foreign Affairs had an interview with a KCNA reporter in connection with the fact that Hungary has at last agreed to establish diplomatic relations with the South Korean puppets and has announced this.

First, the spokesman for the Ministry of Foreign Affairs noted the content of a memorandum that the DPRK Ministry of Foreign Affairs sent to the Hungarian People's Republic Ministry of Foreign Affairs on 2 February to inform the Hungarian side of the diplomatic measure that our Republic has taken in connection with the fact that Hungary established diplomatic relations with the South Korean puppets despite our sincere comradely advice. The memorandum pointed out as follows:

The DPRK Ministry of Foreign Affairs heard the very unpleasant news that the Government of the Hungarian People's Republic had at last established diplomatic relations with South Korea despite our advice. Because it will create a new grave obstacle to accomplishing our people's cause of reunifying the fatherland and will have a negative influence upon the development of the relations between the two countries if the Government of the Hungarian People's Republic officially recognizes South Korea, through diplomatic channels we advised the Government of the Hungarian People's Republic on many occasions to deal with the issue of establishing diplomatic relations with the South Korean puppets after giving careful consideration. However, disregarding our repeated explanation and advice, the Hungarian Government established diplomatic relations with the South Korean puppets, thus directly getting involved in the divisionists' plot to fabricate two Koreas. In connection with this act by the Hungarian Government, we cannot but take an appropriate countermeasure.

The DPRK Ministry of Foreign Affairs informs the Government of the Hungarian People's Republic through your Ministry of Foreign Affairs that our government has decided to downgrade its current diplomatic relations with Hungary from the ambassadorial level to the level of charge d'affaires and to formally

recall our ambassador to your country. We demand that the Hungarian side also recall its ambassador to the DPRK and take appropriate measures.

The Hungarian side is fully responsible for the grave consequences that took place today in the traditional relations of friendship between the DPRK and the Hungarian People's Republic.

As they did in the past, the DPRK, treasuring the relations of friendship and cooperation with the Hungarian people, will also in the future continue to make efforts to develop these relations.

The spokesman for the Ministry of Foreign Affairs answered a series of questions that the reporter raised in connection with the fact that Hungary has established diplomatic relations with the South Korean puppets. The content of his answer is as follows:

The fact that Hungary established diplomatic relations with the South Korean puppets is an unimaginable thing for a socialist country to do. If Hungary is a socialist country in name and in reality, how dare it recognize South Korea, the U.S. imperialists' colony, as a country and establish diplomatic relations with it. This itself shows how deviated from socialist principles the persons in authority in Hungary are and how politically and morally degenerate and depraved they are.

As is well known, today, the imperialists, are in collusion to direct the spearhead of their offensive to obliterate socialist countries. The imperialists, while seeking to enjoy military superiority over the socialist countries, are maneuvering to obstruct the economic and technological development of the socialist countries and to ideologically and culturally disintegrate them and are more desperately launching offensives against our Republic, in particular, among them.

The South Korean regime is a colonial puppet regime that, considering anticommunism as its state policy, serves as the imperialists' shock brigade against socialism and communism. The U.S. imperialists, after turning South Korea into a nuclear forward base against our Republic and other socialist countries, are also today kicking up all sorts of maneuvers to display the superiority of capitalism on the Korean peninsula by extending support to South Korea together with the Japanese and other reactionaries of the world. This is clear to anyone who has a normal ability to think.

Under today's circumstances in which the imperialists are further than ever strengthening reactionary offensives to obliterate socialism with a united strength, the socialist countries, standing fast to the socialist principles, must thoroughly abide by the socialist, communist principles and highly display the superiority and vitality of the socialist system and must strengthen internationalist solidarity and confront the imperialists' antisocialist offensives with the strategy of unity.

If the persons in authority in Hungary have not discarded the socialist principles, they should have maintained such a principled stand. However, the persons in authority in Hungary, running counter to this, have decided to shake hands with the South Korean puppets, the imperialists' anticommunist shock brigade

The fact that Hungary, a socialist country at least in name, established diplomatic relations with the South Korean puppets is nothing but an act of yielding to the imperialists and directly getting involved in their antisocialist strategy. This act by the persons in authority in Hungary is also construed as something that directly hindered our cause of reunifying the fatherland by joining in the maneuvers by the U.S. and Japanese imperialists and the South Korean puppets for cross-recognition and the fabrication of two Koreas.

It is self-evident that the maneuvers to fabricate two Koreas are a by-product of international collusion among the United States, Japan, and South Korea designed to continue to use the South Korean land as a military base for aggression and as an anticommunist bulwark, and that if this is allowed, the division of Korea will be perpetuated and South Korea will never be able to free itself from the double rule of the United States and Japan.

Persons in authority in the United States, Japan, and South Korea are using every possible means and methods to succeed in the conspiracy and fabrication of making two Koreas by dragging in the socialist countries.

The Hungarian authorities are not willingly listening to the advice of their socialist friends and allies but are dazzled by the [word indistinct] purse which the imperialists are waving. To unhesitatingly participate and step forward in the conspiracy and fabrication to endlessly divide our fatherland and nation into two Koreas is publicly violating the fundamental interest of our revolution and our nation. Also, it cannot be but a strict criminal act which is moving ahead to destroy the traditional and friendly relationship between the two countries of Korea and Hungary.

The Hungarian authorities have taken decisive actions to officially recognize the South Korean puppets at a time when a new stage is being developed by the South Korean people in their anti-U.S. and antifascist struggle to achieve independence, democratization, and the reunification of the fatherland and when a wave is being carried out in which there is no way to prevent the desire for ending the national disruption.

This is to instigate the nation-selling and treacherous act by the current South Korean rulers who are in danger and to throw cold water on the wonderful struggle of the South Korean people.

The South Korean people will not by any means just look on at this.

All these facts seen from the general cause of socialism, seen from the supreme national task of our people to achieve the reunification of the fatherland, or seen from the moral righteousness among the socialist friends proves that this kind of act by the Hungarian authorities is an act of betrayal which cannot be justified whatever the case may be.

The Hungarian authorities absolutely cannot avoid the responsibility for all the criminal acts that they have committed.

CPRF Denounces Bush's Planned South Trip
SK0202103189 Pyongyang KCNA in English
1012 GMT 2 Feb 89

[Text] Pyongyang February 2 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland issued Information No. 526 today branding the planned visit to South Korea by U.S. President Bush as a criminal trip of the aggressor aimed at defending the No Tae-u puppet military fascist regime which is rejected by the South Korean people and pushing the tense situation on the Korean peninsula to a higher pitch of strain.

Bush intends to visit South Korea on February 26, immediately after he took office as president, with the criminal aim of giving a shot in the arm to the colonial puppet and threatening the South Korean people who rose in the struggle for independence, democracy and reunification and thereby keeping hold on South Korea as a colony and military base and making haste with the aggressive Asia-Pacific strategy, the information noted.

It said this is clearly borne out by the fact that he laid stress on "aid" and "cooperation" while pressing home the importance of South Korea in the United States' policy of aggression on Asia and that he is trying to aggravate the situation by staging the adventurous "Team Spirit" joint military maneuvers again at a time when multi-channeled dialogues between the North and the South of Korea have been put on the order of the day, and to incite war fever among the puppets by showing himself on the spot.

The traitor No Tae-u is trying hard to give semblance of "amity" and "friendship" to the trip of Bush in an effort to give himself a boost by drumming up "support" from his master and create an atmosphere favorable to the upcoming "intermediary appraisal," the information said, and stressed:

With such deceptive trick, however, he can neither conceal the criminal aim of Bush's visit to South Korea nor deceive public opinion.

'Dependency' of South's Economy Denounced
SK3101153589 Pyongyang KCNA in English
1500 GMT 31 Jan 89

[Text] Pyongyang January 31 (KCNA)—NOLONG SINMUN today in an article by Dr. Son Chong-chol says it is a natural outcome of the more than 40 years of U.S. imperialists' policy of colonial economic subjugation that the South Korean economy has been reduced to a military appendage to the United States, with its arteries seized by the U.S. imperialists.

Noting that the U.S. imperialists, who occupied South Korea by force of arms and established the system for domination of its political and military domains, have pursued the heinous policy of subordinating the South Korean economy to them, it goes on:

The U.S. imperialists who seized the economic arteries of South Korea including industry, transportation, communications, banking, commerce and trade, turned the economy into a military appendage and completely subordinated it to them, in accordance with the goal of keeping it as a colony and military base. The South Korean economy, robbed of its arteries, has now turned into a complete colonial dependent economy without a modicum of independence.

The U.S. imperialists have established neo-colonialist system for domination over the South Korean economy through the two channels—the puppet regime and the "economic aid."

Huge loan capital of 60,000 million dollars has made inroad in the form of loan in the period up to now since the 1960s, and they found their way into industrial fields for the construction of roads and communications facilities for ensuring wartime maneuverability and for the construction of military establishments and supply of war materiel. Now they control the South Korean economy as a whole, raking in stupendous profits.

The induction of vast foreign capital saddled the South Korean puppet clique with mountains of debts.

By rendering it impossible for the South Korean economy to get out of the burden of debts entering the 1980s, the U.S. imperialists have reduced it to an object of more allround plunder through full-dress direct investment of monopoly capital, the most undisguised method of capital infiltration.

Recently big U.S. monopolies are making a direct investment in South Korea in succession. This is aimed to make South Korea their "Asia production forward base" by employing the most cheap labour force in the world and gain a largest amount of surplus profits in colony and, at the same time, to perpetuate the U.S. imperialist aggression forces' occupation of South Korea under the pretext of "protection of concessions" in accordance with the

"argument on the security of power" that "100 million dollars of foreigner's investment have an effect surpassing the advance of one division of foreign forces".

Today the South Korean economy depends not on some of funds needed for the reproduction but entirely on foreign capital including the U.S. monopoly capital. The South Korean economy is mainly run by scores of multinational companies and more than 2,000 separate or joint businesses or loan businesses of foreign monopolies which account for more than 70 percent of the "GNP".

Indeed, the South Korean economy is a colonial economy all reproduction processes of which from production to circulation are allroundly subjugated to the imperialist monopolies including the United States.

It has only cheap labour force whose wages are as low as one eleventh of the United States, one seventh of Japan, and the land and water whose cost is one fortieth of that in other countries.

It is a natural phenomenon that the South Korean economy, a colonial economy depending on foreign countries, is constantly floundering in a chronic crisis and upheaval, affected by the stagnation and crisis of the world capitalist economy including the U.S. economy.

Checking 'Team Spirit' Urgent for Peace
SK2901084089 Pyongyang KCNA in English
0817 GMT 29 Jan 89

[Text] Pyongyang January 29 (KCNA)—The staging of the "Team Spirit" joint military exercises by the United States this year, too, is an undisguised move to aggravate the situation on the Korean peninsula, says NODONG SINMUN today in a signed article.

It says:

Today the United States, clamouring about detente and pretending to take a practical step for it in some areas and countries, are persistently seeking confrontation and war and taking the road of openly aggravating tension in Korea. This proceeds from its cunning and crafty destroy-the-enemy-piecemeal strategy.

The U.S. imperialists are desperately attacking revolutionary small countries, first of all.

At present the U.S. imperialists are directing the spearhead of attack against the Korean peninsula. The DPRK is resolutely fighting against the imperialists' aggressive and belligerent manuveres, consistently holding high the revolutionary banner of anti-imperialist struggle. For this reason our republic has become a main target of attack in the anti-socialist strategy of the U.S. imperialists.

They regard the Korean peninsula as a "gateway" to the Asian mainland, South Korea as the "frontline base of the U.S. strategy" and "forward bridgehead" and the

DPRK which defends the eastern outpost of socialism as a big hurdle in the way of executing their anti-socialist strategy. This is why they try to create a favourable phase for the realisation of their strategy to suffocate our republic, establish their domination over the whole of Korea and realise supremacy over Asia and the world by concentrating their force on aggression on Korea.

The "Team Spirit" war maneuvers are a product of the U.S. imperialists' scheme to make a breakthrough for executing their anti-socialist strategy, destroy-the-enemy-piecemeal strategy in Korea.

The situation on the Korean peninsula has reached a extreme pitch of strain again due to the provocative "Team Spirit" war exercises of the U.S. imperialists and the South Korean puppet clique. This cannot but affect unfavourably the international situation as a whole.

To check the "Team Spirit" joint military maneuvers, as large as a full-scale war, is a very urgent demand not only for peace in Korea but also for peace in Asia and the rest of the world.

The U.S. imperialists must refrain from aggravating the situation with such reckless military provocation as the "Team Spirit".

Japan Increases Expenditures for U.S. Troops
SK3001103189 Pyongyang KCNA in English
1026 GMT 30 Jan 89

[Text] Pyongyang January 30 (KCNA)—The Japanese reactionaries decided on January 24 to increase the expenses for the upkeep of U.S. forces in Japan by 18.3 percent in the Fiscal 1989 under the pretext of the "defence burden-sharing", according to a report.

The Japanese cabinet made this decision when the Japanese Prime Minister Takeshita planned to go to Washington, not to lose the chance of the first place in meeting Bush who appeared as the new President of the United States among foreign heads of state, and on the eve of Bush's flight to Tokyo to attend the funeral ceremony of the dead "emperor". This is the first "gift" of junior ally to the new war boss of the U.S. imperialists.

The Japanese reactionaries, a faithful ally of the U.S. imperialists, set a funny category what they called "budget for sympathizing with the United States", outlayed 2.5 billion dollars for the expenses for the upkeep of U.S. forces in Japan last year.

They foolishly dream to realize their ambition for overseas expansion in return for following the war strategy of the U.S. imperialists.

But the Japanese reactionaries should clearly understand that it is to follow in the footsteps of the "Japanese Imperial Army" which was defeated on the road of aggression under the blood-stained "Rising Sun flag", and act with discretion.

Japanese Military Critic Denounces 'Team Spirit'
SK3001160089 Pyongyang KCNA in English
1519 GMT 30 Jan 89

[Text] Tokyo January 28 (KNS-KCNA)—CHOSON SINBO recently carried an article by Japanese military critic Haruo Fujii denouncing the U.S. imperialists and the South Korean puppet clique for the "Team Spirit" joint military manoeuvre.

Asking "are the 'Team Spirit' joint military exercises really defensive ones as the United States and the South Korean authorities claim," the critic revealed that the joint military exercises have grown in scope and turned into "active offensive strategy" year after year since they began.

The U.S. imperialists' reinforcement of armed forces in South Korea and the joint action of the Japanese "Self-Defence Forces" with the 'Team Spirit' joint military manoeuvres" prove that the joint military exercises are assuming clearer offensive character of the United States, Japan and South Korea against the North, he stressed, and said:

The U.S. and the South Korean military are resorting to arms expansion and war provocation moves going against the trend towards detente and disarmament.

Staging the "Team Spirit" is no more than their last-ditch efforts.

War forces are not willing to recede of their own accord.

Their desperate efforts should be smashed by the efforts of the people in and outside Korea who aspire after peace and reunification.

JSP Action Guideline Supports Reunification
SK3101032989 Pyongyang Domestic Service in Korean
2300 GMT 27 Jan 89

[Text] According to news reports, the 54th regular national congress of the JSP was held in Tokyo from 23 through 25 January.

Invited to the congress were a WPK congratulatory delegation led by Kim Yang-kon, director of a department of the WPK Central Committee, and Han Tok-su, chairman of the Central Standing Committee of the Chongnyon.

JSP Chairwoman Takako Doi made an opening speech and the head of the WPK congratulatory delegation delivered a congratulatory speech, and a congratulatory message from the WPK Central Committee was introduced in the congress.

In the congress, a series of documents, including a guideline on the JSP's action in 1989, were discussed and adopted.

Referring to the Korean question, the guideline noted that a self-examination and atonement of the past colonial rule should be a starting point for Korean-Japanese relations and that JSP, from such a starting point, has opposed the perpetuation of Korean division and supported its independent and peaceful reunification. It also stressed that the hostile policy of the successive LDP governments toward the DPRK and their taking part in the maneuvers for perpetuating the division of Korea cannot be tolerated.

Stating that it would make a positive effort to force the LDP government to change its policy toward Korea based on the JSP's support of the independent and peaceful reunification of Korea and based on the 4 July North-South joint communique; to normalize Japanese-Korean relations, and, at the same time, support the promotion of talks between the North and South of Korea; and to settle such issues as enhancing the status of the overseas Koreans and defending their rights and war reparations, the guideline on action noted that it would develop the friendly relations between the JSP and the WPK.

The guideline on action also stated that it supports the 13th festival of the world youth to be held in Pyongyang and the promotion of North-South talks for the relaxation of tension on the Korean peninsula, including the proposal for tripartite talks, an opposition to cross-recognition, and the independent and peaceful reunification of Korea.

The guideline on action then stressed that the JSP is against the "Team Spirit" joint military exercise by the United States and South Korea, that it calls for the withdrawal of U.S. troops from South Korea, that it opposes the military integration of the United States, Japan, and South Korea, including U.S. military aid to South Korea, and that it will strengthen its activity of supporting the Japan-resident political prisoners.

Seoul Students Protest Corruption Probe Results
SK0102235489 Pyongyang KCNA in English
1538 GMT 1 Feb 89

[Text] Pyongyang February 1 (KCNA)—Students of more than ten universities in Seoul waged an anti-"government" struggle on January 31 in protest against the deceptive "final results of investigation into the corruption of the Fifth Republic" published by the fascist clique, according to a report.

More than 800 students from ten universities under the Seoul Federation of General Students Councils, including Konguk and Hanyang Universities, held a rally for a forward march of the Eastern Regional Federation of General Students Councils at Konguk University that noon. Resolutely rejecting the "final results of investigation into the corruption of the Fifth Republic" made public by the puppet prosecution as a distortion of the truth, they put up a four-point demand including the "introduction of a special prosecuting system" for judgement on the traitor Chon Tu-hwan and "punishment of the chief culprits in the Kwangju massacre."

Bursting into a fury at the No Tae-u fascist clique which is defending the traitor Chon Tu-hwan, the chief culprit in the "corruption of the Fifth Republic" and the mastermind of the Kwangju massacre, they went over to a demonstration. They chanted "Let all the people be observers and thus probe the truth of the corruption of the Fifth Republic and the Kwangju massacre."

They took to the streets and fought a fierce battle with more than 1,000 combat police for more than two hours.

Some 200 students at Sogang and Yonsei Universities staged a demonstration on the same day, denouncing the fascist clique's publication of "final results of investigation into the corruption of the Fifth Republic" as a "drama designed to deceive people."

Earlier, over 100 students of Ehwa Women's University held a rally for reevaluating in the new year to fight for complete punishment of the chief culprits in the Kwangju massacre and the "corruption of the Fifth Republic" and staged a demonstration, shouting "Chon Tu-hwan to the witness box" and other slogans.

The "final results of investigation" published by the traitor No Tae-u is giving vent to surging wrath of students and other sectors of the people and touching off a wave of protest among them.

Students, Workers in Seoul Hold Rally
SK3001104189 Pyongyang KCNA in English
1033 GMT 30 Jan 89

[Text] Pyongyang January 30 (KCNA)—Students of 22 universities and colleges affiliated with the Seoul District Federation of General Student Councils and metal workers, more than 6,000 in all, held respectively anti-U.S., anti-"government" rallies at university quarters in the city on January 29, according to reports.

At their rally the students strongly demanded the "withdrawal of U.S. forces" far more than 40,000 strong and an "immediate stop to the 'Team Spirit' joint military exercises," the war manoeuvres for invading the North, the largest in history.

Speaking at the rally, a leading member of a student organisation, said: "The United States claims that the 'Team Spirit' military exercises are for 'security'. But it is a nonsense". The reason is that the "North has neither intention nor capacity to invade the South".

Calling for "unity to overthrow the present 'regime' covering up the irregularities", the students demanded the punishment of the traitor Chon Tu-hwan, the main culprit of the bloodbath of Kwangju citizens and the "irregularities of the Fifth Republic" and the "abrogation of anti-democratic evil laws including the 'National Security Law' and the 'Social Security Law' suppressing the people's existence and freedom of thinking".

At the same time, thousands of metal workers held a rally calling for an end to the crackdown on the labour movement by the fascist clique and a probe into the truth behind the Kwangju massacre at a place adjacent to the rally place of students.

They burned in effigy the puppet clique and comprador financial businesses which are running amuck in crackdown on workers.

At the end of their rallies students and workers jointly staged an anti-U.S., anti-puppet demonstration.

The protesters carrying scores of banners bearing anti-U.S., anti-government slogans, repeatedly shouted "Out with American forces," "Arrest Chon Tu-hwan," "Oust No Tae-u" and the like.

Terrified by the large-scale demonstration, the military fascist clique sent more than 10,000 riot police and even armored vehicles, indiscriminately firing tear gas at the protesters.

A large number of workers riding in more than 40 buses swarmed before the main building office of the Samsung group, a comprador business, and staged a demonstration.

They vehemently denounced the Samsung group for "making a bogus trade union and kidnapping and imprisoning democratic labor union members" and the puppet clique's suppression of workers.

Seoul Students Attack Summary Court
SK3101051689 Pyongyang KCNA in English
0510 GMT 31 Jan 89

[Text] Pyongyang January 31 (KCNA)—A group of students belonging to the Seoul District Federation of General Student Councils (Sochongnyon) on January 29 attacked the summary court of the "Seoul District Criminal Court," according to a report.

The students threw fire bottles at the court yelling "We denounce the prosecutor's office, a waiting maid of the No Tae-u 'regime,'" "The prosecution, an accomplice in

the injustices of the Fifth Republic, which deceives the people, should blow up itself" and other slogans and scattered more than 100 copies of anti-"government" literature.

The literature scattered in the name of the Western Area Struggle Federation of Students under Sochongnyon said "Democratisation is impossible without liquidation of the injustices of the Fifth Republic" and declared the will of the students to dig into the "injustices of the Fifth Republic" down to the root.

A part of the summary court was demolished in the attack.

Expectations for Chonminnyon Expressed

SK3001120089 *Pyongyang Domestic Service in Korean*
0008 GMT 24 Jan 89

[NODONG SINMUN 24 January commentary:
"Seeking the Unity of the Democratic Forces"]

[Text] Last 21 January in South Korea, the National People's Democratic Movement League [Chonminnyon], a united organization of the dissident movement throughout South Korea was formed.

Centering on working people such as workers and peasants in South Korea, Chonminnyon is a mass movement for unity in which people from various strata participate. And it represents the regional and factional movement organizations and about 200 individual movement organizations which belong to them throughout South Korea.

In its founding declaration Chonminnyon raised anti-foreign forces, independence, anti-fascist democracy and the advance for national reunification as goals of the organization in order to achieve real people's liberation, and a free and equal society.

Valuing Chonminnyon as a united organization of patriotic, national, and democratic forces, people from various strata throughout South Korea hail its formation. Opposition parties have revealed positive standpoints in connection with cooperation with Chonminnyon.

The formation of Chonminnyon, the united organization of the dissident movement in South Korea, is good for the development of the South Korean people's movement for independence, democracy, and reunification. Also it meets the national demand for the realization of national reunification with the united efforts of the nation.

Unity in the struggle for independence is the source of the strength of the popular masses and a guarantee for victory.

Today the South Korean people are faced with the grave task of achieving anti-U.S. independent reunification. In addition, this task demands national unity all the more.

The South Korean people have steadily waged the struggle to regain the trampled national right to independence, to realize the democratization of society, and to achieve the country's reunification from the day of the country's division by the U.S. imperialists until today. But these struggles did not bear due fruit, meeting with heartrending failure and frustration over and over, because their righteous struggle fell short of being a nationwide organized and united struggle.

The South Korean people have felt the need for the unity of the patriotic democratic forces even more through the recent struggles, including the June popular uprising in 1987.

The formation of Chonminnyon in South Korea makes it possible to achieve the unity of the people of various strata with workers, peasants, and other basic masses of society as its center. It is a reflection of the essential requirements for the development of the mass movement.

The urgent tasks and fighting slogans set by Chonminnyon coincide with the pressing aspirations of the South Korean people and the entire nation. The withdrawal of the U.S. aggressive forces and nuclear weapons from South Korea is a priority problem in settling the problem of our country's reunification and realizing the task of national liberation. In addition, the clarification of the truth of the Kwangju massacre barbarity and the irregularities of the Fifth Republic and the abrogation of the fascist evil laws are essential previous tasks before the democratization of society.

Chonminnyon raised "Probe into the truth behind the Kwangju massacre and corruption of the Fifth Republic!", "Abolish the undemocratic evil laws!", "Immediate withdrawal of nuclear weapons and the U.S. forces!", as well as others as its immediate fighting slogans and determined to struggle for their implementation. It also declared that it would conduct a more brisk movement for national reunification. This gives the conviction that Chonminnyon will contribute to the development of the reunification movement, the main trend of developments in Korea this year.

We express the expectation that Chonminnyon, a new organization, will discharge its mission and duty in the struggle to rally the patriotic and democratic forces in the South Korea to smash the criminal two Koreas plot of the splittists at home and abroad and open a new epochal phase on the way of reunification through a nationwide grand march for reunification and national salvation.

Sochongnyon To Struggle To Attend Youth Festival

SK3101050689 *Pyongyang KCNA in English*
0458 GMT 31 Jan 89

[Text] Pyongyang January 31 (KCNA)—Yi Yong-min, an executive member of the Seoul District Federation of General Student Councils (Sochongnyon), declared that

a struggle will be waged for participation in the 13th World Festival of Youth and Students in the North which had been raised at the time of the 1989 elections to the general student councils of various universities.

In his article headlined "For correct understanding of student movement" published in the January issue of the South Korean magazine "WOLGAN HURUM," he also said that a struggle against the anti-reunification "regime" would be waged at the same time to expose the fiction of the "northern diplomacy" of the No Tae-u "regime."

He said a sustained struggle would be waged to have Chon Tu-hwan detained and dethrone No Tae-u, his twin dictator, which will mean the continuation of the powerful struggle for a probe into "injustices of the Fifth Republic" and truth behind the Kwangju massacre.

It is certain, he said, that the students will keep up their daring struggle for a complete fulfilment of the three tasks for independence, democracy and reunification.

South Workers, Peasants Continue Struggle
SK3101105589 Pyongyang KCNA in English
1042 GMT 31 Jan 89

[Text] Pyongyang January 31 (KCNA)—More than 3,000 workers in Kwangju and South Cholla Province on January 18 held a rally and an anti-"government" demonstration demanding the revision of the evil labour act and denouncing unreasonable labour practices, according to a report of the South Korean newspaper HANGYORE SINMUN.

At the rally they strongly demanded of the fascist clique the guarantee of the three rights of labour, the lifting of the ban on political activity of trade unions, a halt to unreasonable labour practices and camouflaged suspension of operations and shutdown, the establishment of a system for punishment of the company owners who resort to violence by "company-saving corps," and the guarantee of the workers' right to strike.

Condemning the unreasonable labour practices at an architects association in Kwangju, the Pungsan Metals, the Hyundai Heavy Industry and the Samsung group, they resolved to launch a campaign for boycott on the goods of those enterprises which are engrossed in evil practices.

They adopted an 11-point resolution demanding the dissolution of the bogus trade union at the Samsung Heavy Industry, the arrest of those involved in the subversive acts against the trade union at the Hyundai Heavy Industry, the release of detained workers of the Pungsan Metals and so on, and then went over to a torch procession.

Some 500 peasants in Hwadong-myon, Sangju County of North Kyongsang Province, on January 26 staged a demonstration in demand of the abolition of water fees

imposed by the puppets, and the peasants association in South Korea issued a statement on January 27 warning that they would not pay "all public imposts" by the puppet clique if their demand for the abolition of water fees is not met.

The Christian Peasants Association, the Roman Catholic Peasants Association and other organizations also declared that they would hold a large-scale rally of peasants on February 23 demanding the abolition of water fees.

Upwards of 500 poor tradesmen in Mokpo, South Cholla Province, held a rally and a demonstration on January 17 protesting the puppet clique's unreasonable act of keeping them from their business.

South's Police Issue 'Conscience Declaration'
SK3102161689 Pyongyang KCNA in English
1541 GMT 31 Jan 89

[Text] Pyongyang January 31 (KCNA)—A policeman surnamed Cho belonging to the Wonju Police Station in South Korean Kangwon Province released a "declaration of conscience" on January 31 in protest against the fascist rule of the No Tae-u military gang, according to a report.

Charging that "police is protecting Chon Tu-hwan and his wife who must face judgement by the people", he demanded the dissolution of the combat police corps which suppresses the movement for the nation and democracy.

He also demanded "an immediate detention of the Chon couple who are living in seclusion at the Paektam temple and the neutralization of the army and police.

Commentary on Chemical Arms Statement
SK3001102589 Pyongyang KCNA in English
1018 GMT 30 Jan 89

[Text] Pyongyang January 30 (KCNA)—NODONG SINMUN Monday comments on the DPRK's stand on turning the Korean peninsula into a zone free from nuclear and chemical weapons, which was clarified by the Ministry of Foreign Affairs of the DPRK in its recent statement.

Noting that the process of nuclear disarmament should coincide with the course of the elimination of chemical weapons for peace and security in the world, the author of commentary says that the danger to mankind caused by the expanded nuclear arms buildup and increase of chemical weapons of the U.S. imperialists raises a more urgent need to synchronize the process of the reduction and abolition of these two kinds of weapons.

The commentary further says:

The question of turning the Korean peninsula into a nuclear-free, peace zone, a zone free from chemical weapons entirely depends on the attitude of the United States and the South Korean authorities.

The United States should stop introducing nuclear and chemical weapons into South Korea, completely withdraw already introduced ones and all means of destruction and refrain from staging the provocative "Team Spirit" military maneuvers which increase the danger of nuclear and chemical war.

The U.S. imperialists persist in false propaganda that we produce chemical weapons. This is nothing but a poor trick to cover up their preparations for nuclear war, chemical war in South Korea and mislead public opinion.

The United States, fanatic adherent to chemical war, is working hard to produce various kinds of chemical and biological weapons including most fatal binary chemical weapons.

The U.S. imperialists have brought over 1,000 nuclear weapons and a large number of chemical weapons into South Korea and are producing chemical weapons in South Korea.

The Korean people will make all efforts to turn the Korean peninsula into a nuclear-free peace zone, a zone free from chemical weapons and realize universal and complete disarmament, with the active support and encouragement of the progressive and peace-loving people of the world.

Promotion of Socialist Emulation Drive
SK2901081489 Pyongyang KCNA in English
0808 GMT 29 Jan 89

[Text] Pyongyang January 29 (KCNA)—An Chun-kil's workteam members of the tool shop of the Pyongyang textile machine plant had a meeting Friday, challenging workteams (platoons) of the industrial establishments throughout the country to a socialist emulation to fulfil this year's plan ahead of schedule "in the spirit of Nakwon and the way the Kiyang people work".

The workteam is the glorious one where dear Comrade Kim Chong-il performed immortal revolutionary feats in his early years while operating the lathe no. 26.

The workteam members have overfulfilled their yearly plans and become pace-setters in the "model machine movement of loyalty for emulating lathe no. 26."

At the meeting they determined to fulfil their yearly plan before October 10 to justify the expectation of the party with loyalty.

A resolution adopted at the meeting pointed out that the workteam members will fulfil their plan ahead of schedule with the existing equipment and materials and turn out as one in the massive technical innovation movement.

The resolution stressed the need to conduct a socialist emulation among machines and individual workers and a drive to create new norms and new records.

It called upon the workteams (platoons) of the industrial establishments throughout the country to conduct a socialist emulation to finish this year's plans before October 10, the founding anniversary of the Workers' Party of Korea, and a vigorous drive to win the honour of "Thrice Model Machine No. 26" and "The Workteam of Thrice Model Machine No. 26".

Transport Workers Increase Shipping Volume
SK3101102889 Pyongyang KCNA in English
1022 GMT 31 Jan 89

[Text] Pyongyang January 31 (KCNA)—The transport workers under the Ministry of Railways are engaged in a high-pitched increased transport drive.

In the last one month, the Kaechon Railway General Bureau has carried nearly 300,000 more tons of goods than the rated traction tonnage.

The workers there gave a good account of themselves in the composition of trains for centralized transportation and introduced various advanced operation methods suitable for the conditions of rails and the weight of goods.

Entering this year, the Tanchon Railway Administration is topping the daily average of haulage at the end of last year by 1,500 tons.

The locomotive corps under the Northern Railway General bureau carried out their daily transport assignments at 119 percent in the last one month.

The transport workers under the Land Transport General bureau have fulfilled their quotas at 110 percent on a daily average entering the new year.

Thermal Power Stations Increase Production
SK3001101489 Pyongyang KCNA in English
1007 GMT 30 Jan 89

[Text] Pyongyang January 30 (KCNA)—Power production is on the rise at the Korean thermo-power stations.

According to data available, the power output at the thermo-power stations in South Pyongan Province had shown a gain of 90 million KWH by January 25 above last year's like period.

The Pukchang Thermal Power Complex reported a jump of 20 million KWH and the Chongchongang Thermal Power Plant a gain of 14 million KWH in recent 25 days above the figures of the comparable period last year.

The Pyongyang Thermal Power Complex is topping its daily quotas 5 per cent by keeping the generating equipment in full-capacity operation entering this year. Thus it has broken the record level at the end of last year in power production.

The Chongjin Thermal Power Complex has of late raised the heat effect of the boilers 0.8 percent above last year's like period and lifted power output per generator by a wide margin by applying valuable technical innovation proposals to production.

Pictorial Notes Kim Chong-il, Younger Sister
SK2901080589 Pyongyang KCNA in English
0800 GMT 29 Jan 89

[Text] Pyongyang January 29 (KCNA)—The picture album "Revolutionary Site on Mt. Changja" brought out the press by the Kumsong Chongnyon Publishing House.

The picture album contains many photographs introducing the revolutionary site on Mt. Changja associated with the immortal revolutionary feats and lofty intention of dear Comrade Kim Chong-il. Its first part carries photographs of the house where Comrade Kim Chong-il lived and the study site where he used to have compositions and recite poems together with his colleagues during his stay on Mt. Changja.

It prints photographs of two pine-nut trees which Comrade Kim Chong-il personally planted and cultivated with his younger sister.

The next part edits photographs of the place of playing at soldiers, the shooting site, the wrestling site, the spring site, and the singing site where Comrade Kim Chong-il nursed his wisdom and courage.

South Korea

Closure of U.S. Kwangju Office Viewed
SK0202105289 Seoul CHOSON ILBO in Korean
1 Feb 88 p 1

[From the "Viewpoint" column; article by Kim Chol, deputy director of the CHOSON ILBO Political Department: "'Shock About the Cultural Center in Kwangju' in Korean-U.S. Relations"]

[Text] At a time when the U.S. side is seriously examining whether to maintain or close the American Cultural Center in Kwangju, it was again attacked on 31 January. Before this incident, U.S. State Department spokesman Charles Redman said, "The United States has expected to receive the assurances from Korea that the Korean authorities will provide appropriate protection for the American Cultural Center in Kwangju and its officials", and "we will wait and see what measures will be taken."

There is a minor difference in views between relevant U.S. officials in Washington and Seoul. However, we can predict one thing: That is, even if it temporarily closes the cultural center in Kwangju at this time, the United States is likely to withhold its official withdrawal, a stage after its closure, and see how the situation will develop, how the Korean Government will react, and how Korea's public opinion will be formed.

This is the first time in Korea-U.S. relations for discussions to be held on whether the United States will maintain or close its government offices in Korea, not because it is necessary for the United States to do so but because the United States could not overcome some Korean people's physical power. This is in itself meaningful. Moreover, it is serious because the controversy is taking place precisely at a time when the Korean Government is losing control of its domestic political situation and when it is losing its strategic balance in foreign relations.

The U.S. Embassy in Korea has examined the controversy of the Cultural Center in Kwangju from two perspectives. First, the U.S. side takes a serious view of the conditions of the cultural center in Kwangju, wherein the Cultural Center is located at an indefensible place and is likely to bring casualties if something happens to the building it because it is made of wood. Second, in circumstances under which even after the Cultural Center in Kwangju closes other cultural centers will continue to be likewise endangered, the U.S. side is examining from a political perspective how the stature of the United States will be affected by the closure of the cultural center in Kwangju.

Under these circumstances, a relevant U.S. Embassy official said that there is a minor difference in views between relevant U.S. officials in Washington and Seoul. He said that officials in Washington take the Kwangju controversy to be as serious as the Beirut situation.

The U.S. side is examining the situation in this direction. This obviously implies that the controversy over the cultural center in Kwangju may greatly mar Korea's relations with the United States, which is still Korea's important ally in foreign relations.

First, the controversy over the cultural center in Kwangju is directly linked to the Kwangju democratization movement, the most difficult problem in Korea's current domestic political situation. Some students strongly perceive that the United States played a role in the suppression of the Kwangju movement.

Second, because it occurred at a time when Korea and the United States are coordinating their policies toward each other, the controversy over the cultural center in Kwangju can become a catalyst that may cause relations between the two countries to deteriorate or become weakened.

This controversy occurred at a time when the United States is currently coordinating its policies in such a way as to curtail its military involvement overseas. This controversy and the fact that the young people have a growing sense of rejection toward the U.S. forces in Korea may possibly make the United States reexamine its military assistance to Korea.

Moreover, if the trade relations between Korea and the United States are not reoriented as the U.S. side hopes, anti-Korean public opinion in the United States will emerge. Some local news media in the United States have already promoted an anti-Korean atmosphere to a great degree.

In addition, if Korea's headlong northward policy continues, there is no guarantee that this policy may be in conflict with the strategic interests of the United States.

Third, this controversy is serious because it is caused by some young people's anti-U.S. sentiment. Some young people assert that the United States played a leading role in dividing the Korean peninsula and perpetuating its division. In addition, they believe that the United States has hindered Korea's democratization by supporting Korea's dictatorial regimes.

How the United States, the party concerned, will try to mitigate or solve some problems caused by the controversy over the cultural center in Kwangju is important. However, fundamentally speaking, it is even more important how our government and political circles will make efforts to do this. First, the government and political circles must clearly understand that the relations between Korea and the United States are primarily international relations, and they must make an effort to make the young people, in particular, realize this. Because they are relations with foreign countries, international relations are primarily relations of interests. A strategic consideration and a restrained attitude, not excessive expectations or transient sentiment, must prevail in dealing with relations of interests.

The government and political circles must not underestimate the aftermath of policy options that the United States may take if the relations between Korea and the United States do not go smoothly. Our national strength and international stature are not sufficient. Moreover, it is practically impossible to establish independence, in its classic sense, in today's era of interdependence. In other words, independence is important but relations of alliance are even more important.

Also, the public opinion of our entire society must be shaped. If the "silent majority" continues to keep silent, the words and deeds of minorities will inevitably become a ruler that measures public opinion.

Defense Minister Sees No U.S. Troops Withdrawal
SK0202023289 Seoul YONHAP in English 0215 GMT
2 Feb 89

[Text] Seoul, Feb. 2 (YONHAP)—South Korean Defense Minister Yi Sang-hun said Wednesday he does not expect a withdrawal or drastic reduction of U.S. forces in Korea under the new U.S. Administration.

He predicted, however, that the administration of President George Bush will increase pressure on South Korea to further share the burden of defense spending in view of the huge U.S. trade and budget deficits.

In an interview with the KBS-TV, the state-run television network, Yi said the U.S. forces in Korea are indispensable because they provide some crucial capabilities that the South Korean forces lack, including the Airborne Warning and Control System (AWACS).

Yi, a retired general who once served as deputy commander of the Korea-U.S. Combined Forces, expressed his wish to review the controversial system of a U.S. general having operational control over the Korean forces at the upcoming South Korea-U.S. annual security consultative meeting.

"We will try to find ways for South Korea to play a greater role within the current command system of the Korea-U.S. Combined Forces Command," Yi said.

Touching on the annual "Team Spirit" joint military exercise between Korean and U.S. forces, the Defense Minister said the large-scale military drill will go ahead this year as planned.

"Korea and the United States are considering flexibly adjusting the scale and format of 'Team Spirit' should North Korea show a concrete change of attitude toward the South. But this year's 'Team Spirit' will be carried out as planned," Yi said. He also said the two countries are carefully considering a new site for the U.S. military compound in Yongsan, Central Seoul, and are discussing timing and other matters related to the relocation. He said that moving the U.S. military base from Seoul to a rural area is not an attempt to defuse anti-American sentiment but is part of the South Korean Government's metropolitan redevelopment program.

Defense Minister Says U.S. To Relocate 8th Army
SK0202011889 Seoul THE KOREA TIMES in English
2 Feb 89 p 1

[Text] The United States has agreed in principle to relocate the Eighth U.S. Army headquartered in Yongsan to outside of Seoul, Defense Minister Yi Sang-hun revealed yesterday.

However, he did not elaborate on when and where the Eighth U.S. Army would be relocated.

In his interview with KBS TV on the defense policy, Yi said the relocation of the Eighth U.S. Army would be carried out in line with the development of Seoul and its vicinities on a long-term basis instead of assuaging anti-American feelings.

The minister said Team Spirit, the annual joint military exercise between Korea and the United States, would continue despite Pyongyang's demand for its suspension.

Citing that Team Spirit is conducted as a basic military drill, he maintained that the North Korean demand for its discontinuation is an interference in affairs of the south.

He said the schedule for this year's Team Spirit would be disclosed by the end of next month.

In the meantime, the minister contended that the United States would not withdraw its military forces or reduce their size on a large scale in consideration of the tension on the Korean Peninsula.

He said the ministry would continue efforts to increase the role of the military in relations with the U.S. army which now takes command of the Korean military.

The minister also said that military democratization and the realization of self-defense posture are the major tasks.

He insisted that the military should keep political neutrality.

In addition, he said that the present conscription system would be revised in accordance with the principle of equality.

He disclosed that the government would compensate for the military occupation of private land by 1993.

Chong Chu-yong To Revisit North in April

SK0202080489 Seoul YONHAP in English 0752 GMT
2 Feb 89

[Text] Seoul, Feb. 2 (YONHAP)—South Korean business tycoon Chong Chu-yong is expected to cross directly to the North around April 20, a highly placed government official said Thursday.

Chong is to revisit North Korea to discuss developing Mt. Kumgang (Diamond) into a tourist resort, as agreed with Pyongyang during his recent visit to the northern half of the peninsula, the official said.

The founder of the Hyundai Group, South Korea's largest business conglomerate, will be accompanied by a 20-member team that will survey the proposed site of the tourist attraction. Chong will discuss details such as financing the Mt. Kumgang development projects, the official said.

Chong is expected to cross the Demarcation Line at the border truce village of Panmunjom or in the eastern coastal area near Mt. Kumgang and Mt. Sorak. The demarcation line runs along the center of the 4-kilometer wide Demilitarized Zone dividing South and North Korea. Chong's first trip to Pyongyang took him on a circuitous route through Tokyo and Beijing.

Chong will also consult North Koreans on the proposal for joint participation in development projects in Siberia, and the construction of a shipyard in Wonsan, a North Korean port city on the east coast, according to the official who declined to be named.

The official hinted that Chong's agreements with North Korea will receive official blessing, saying, "We will positively back Chong's agreements after consultations between related ministries based on his reports."

The government takes the view that the agreements have tacit North Korean Government approval even though they were reached on a private level, the official said.

Chong, 74, is the first known South Korean business leader to visit Pyongyang with the approval of both the South and North Korean Governments.

The official also disclosed a tentative government plan for joint development of Mt. Kumgang.

The South and North Korean authorities, according to the plan mapped out by the South, would jointly develop areas linking Mt. Kumgang in the North and Mt. Sorak in the South, creating a "special tourism zone."

The official said North Korea has expressed its willingness to allow South Korean tourists to visit the northern half of any such special tourism zone.

An expected meeting between Chong and North Korean President Kim Il-song did not take place, he said.

He said that since 1985, North Korea has invited South Korean business and religious leaders traveling abroad to secretly visit Pyongyang. The source claimed to know some business and religious leaders now being contacted by the North, but refused to name them.

TASS Reports Chong Visit at YONHAP Request

SK3101021089 Seoul YONHAP in English 0117 GMT
31 Jan 89

[Text] Seoul, Jan. 31 (YONHAP)—TASS, the official Soviet news agency, on Monday wired news to Seoul from Pyongyang on the visit to North Korea by Chong Chu-yong, honorary chairman of the Hyundai Business Group, at the request of YONHAP News Agency.

The report, which covered Chong's arrival in Pyongyang Jan. 24 and an interview with journalists Jan. 27, marked the first time that TASS has sent news to Seoul in response to a request made by a South Korean news media organization.

The TASS story, written by its correspondent in the North Korean capital, was wired to YONHAP through the news distribution network of ORGANIZATION OF ASIA-PACIFIC NEWS AGENCIES (OANA).

YONHAP plans to cover North Korean news through TASS or China's official XINHUA news agency until it receives permission to dispatch its own reporters to the socialist North.

South Team Plans To Survey Mt Kumgang
*SK0202071289 Seoul YONHAP in English 0700 GMT
2 Feb 89*

[Text] Seoul, Feb. 2 (YONHAP)—A team from South Korea will survey a scenic North Korean mountain in April to assess its potential for development as an international tourist destination.

In a major project to accelerate inter-Korean economic ties, Chong Chu-yong, founder and honorary chairman of the Hyundai Business Group, has agreed with North Korea to jointly develop Mt. Kumgang (Diamond).

Chong announced the project Thursday in a news conference at Kinpo International Airport on his return from a nine-day visit to North Korea. The first South Korean businessman to set foot in the North in more than 40 years, Chong made the trip at the invitation of Ho Tam, former North Korean Foreign Minister.

The North Korea-born business tycoon said: "The survey team will travel directly to and from the Mt. Kumgang area on land and by sea.

"Both sides have agreed to allow South Korean tourists bound for Mt. Kumgang to pass through the eastern area of the Military Demarcation Line (bisecting the two Koreas) after they obtain the approval of South Korean authorities and undergo the scrutiny of North Korean authorities," Chong said.

Chong said he agreed with Pyongyang to set up joint ventures to construct a shipbuilding yard and train yard at Wonsan port to export the products to the Soviet Union.

"Pyongyang also consented to joint participation in development of the Soviet salt, coke and gas fields in Siberia and the Far East which seem profitable," he said.

Chong added he signed a protocol on economic ties on condition that it take effect on the date the signatories obtain the approval of their governments. He reportedly exchanged the protocol with Choe Su-ki, chairman of the North's Taesung Bank and advisor to the Asia Trade Promotion Association.

The South Korean business tycoon visited Tongchon, his birthplace, and met relatives living there. The reunion was arranged by the North Korean authorities, which say it was the main purpose of Chong's North Korean journey.

Chong left Seoul on Jan. 21, arriving in Pyongyang on Jan. 23 via Tokyo and Beijing, and returned home over the same route.

New Body Expected To Handle Exchanges With North
*SK0202125089 Seoul YONHAP in English 1244 GMT
2 Feb 89*

[Text] Seoul, Feb. 2 (YONHAP)—South Korean Government will inaugurate Friday a new inter-ministry organization to be empowered to coordinate and control official supports to the civilian exchanges with North Korea, government sources said Thursday.

The sources also said that the government and the ruling party will soon draft a special law designed to lay legal basis for the personnel or material exchanges with Pyongyang. Its draft bill will be submitted to the extraordinary session of the National Assembly to be opened this month, they added.

The government decided to form that organization in an effort to provide efficient official-level supports for the inter-Korea exchanges which are expected to increase along with projected economic cooperation between the two Koreas, they explained.

An official said the proposed special law was necessary with a view to accelerating exchanges of personnel between Seoul and Pyongyang. Currently, the government has resorted to an expedient by letting the Trade-Industry Ministry to examine the applications of those businessmen wishing to visit Pyongyang.

He said, "the inter-ministry organization is also necessary in view that the inter-Korea economic cooperation should be done under the official permission and approval in principle." The new government body is expected to be joined by trade-industry, construction, foreign and other relevant ministries.

Kim Tae-chung Proposes New Unification Body
*SK2901043089 Seoul THE KOREA TIMES in English
29 Jan 89 p 1*

[Text] Kim Tae-chung, president of the Party for Peace and Democracy, yesterday called for the creation of a pan-national non-governmental apparatus, which will review and produce national reunification formula.

Reiterating his own reunification idea, the "two Republics' federal government system," the opposition leader suggested that the formula be reviewed by the envisioned body.

In his new year press conference, Kim also advocated the introduction of "democracy to be taken part in by the masses" as a means making reforms in the nation.

He explained that "masses' democracy" means the participation of the masses, whose democratic basic rights are ensured, in political, economic and social fields, as the main constituents in solving problems.

"Therefore, the masses will take part in various elections to get elected," he elaborated.

"Economically, 'masses' democracy" features the popularization of stocks, enabling them to participate directly in the management of businesses, or electing professional managers," he said.

The leader of the largest opposition party discussed a broad range of national affairs, including such pending political issues as the liquidation of irregularities and evils of the Chon Tu-hwan regime during the 90-minute press conference.

Referring to national diplomacy, Kim, who is scheduled to visit four European countries starting Tuesday, stressed the shift of the hitherto "subordinate diplomacy" to "independent diplomacy."

"I think that the time has come for the nation to review its attitude toward the United States and Japan. [quotation marks as published]

The pending issues of the transfer of U.S. operational control over Korean forces, revision of the Status of Forces Agreement, nuclear arms, Team Spirit and unfair U.S. trade pressures should be handled on an equal and reciprocal basis from an independent national standpoint." [quotation marks as published]

"I will visit the United States this year to discuss these issues with President George Bush and other American leaders," he revealed.

As to pending political questions, the political leader maintained a hawkish stance against the No Tae-u administration and the ruling party.

He burst into anger against the prosecution's investigation of the past regime's ills, claiming that "the government and its party are making fools of the people without showing any fear of the people."

"It is a serious problem that the prosecution, under the guidelines of the person in power, did not dig deeper into questions surrounding political funds amounting to several thousands of billion won and Chon Tu-hwan's personal properties," he argued.

"The PPD will seek legislation (along with the other opposition parties) for introducing a special prosecutor system in the special House session next month to make a thorough independent probe of Fifth Republic irregularities," he said.

Then, he made it clear that the mid-term evaluation of President No's performances should take the form of a confidence vote as the president had earlier pledged.

"We will watch for the time being whether he will keep to his promise before we chart our course of action," he said.

Kim Chong-pil 'Cynical' About Northern Policy
SK2801040089 Seoul THE KOREA HERALD
in English 28 Jan 89 p 2

[From the "Out and About" column: "Northern Policy"]

[Text] Cynical about the government's northern policy, NDRP leader Kim Chong-pil said yesterday the government: "Hops like a frightened rabbit."

"Some are enchanted with the Russians' smile, but what is more urgent for us is to take care of our miserable neighbors amid steady economic growth," said Kim at a dinner he hosted for some 200 former lawmakers.

"And we must not have a reverie about the national reunification," said the president of the conservative minor opposition party.

He said the projected interim test of public confidence in the government of President No Tae-u "must not affect the presidential term," rebuffing Kim Yong-sam's suggestion that the interim test be a direct vote on No.

Speech by North's Joint Venture Minister
SK3101014489 Seoul THE KOREA TIMES in English
31 Jan 89 p 6

[Full text of speech by North Korean Joint Venture Minister Chae Hui-chong, on the introduction of North Korean joint venture policies after a 3-day informal gathering of world economic leaders in Davos, Switzerland on 30 January]

[Text] As the first participant to this Annual Meeting from the Democratic People's Republic of Korea I would like to express my thanks to the World Economic Forum for this particular arrangement to introduce our country.

We have come here in high expectations of sharing views on the economic and business issues towards the welfare of the mankind and of developing economic exchanges and cooperation.

I will say something about our country, since, I think, our country is not so well introduced in the world business circles and that in distorted form, in some cases.

Being a peninsula in the Far East with the land of 126,762 square km and population of 20 millions in the northern half of the Republic, our country is not large.

Our economy underdeveloped under the colonial rule for nearly half a century suffered severe damages during the three-year-war.

We had to start everything from zero. We, through our strenuous efforts, managed to reconstruct the economy destroyed by the war and continued to carry out successfully several economic development plans, thus turning the country into a socialist industrial state with independent, modern industry and developed agriculture.

We have established a solid independent economic base. Our people are all enjoying stabilized life without worry about food, clothing and shelter, though they are not yet luxuriously well off.

Now we are carrying out the third seven year plan with a view to further strengthening the national economy and enhancing the living standard of the people.

The new prospective plan is an ambitious plan envisaging radical increase of both industrial and agricultural production and extensive technical reconstruction of the economy.

In order to modernize our industry and attain high level of economic development, it is necessary for us to further promote and develop the economic and technical exchanges and cooperations with other countries.

It is the consistent policy of the government to develop economic and technical exchanges and cooperation with any country that respects our sovereignty and is friendly to our country based on the principle of equality, mutual benefits and complementarity.

In accordance with the economic progress, our external economic relations have grown playing an important role in our economic construction more and more.

What is badly needed for us now is the introduction of up-to-date technology and expansion of external economic relations in various forms.

We have enough economic potentials for better economic and technical exchanges and cooperation with other countries. Our industry is grown to have heavy industrial bases of our own with complete sectorial

structure including electricity, coal, metals, machinery, chemistry and building materials and light industry. Just to cite a few examples of annual production of major industrial items in 1987: 54 billion KWH of electricity, 80 million tons of coal, 6.83 million tons of steel, 12 million tons of cement, 5.36 million tons of chemical fertilizers and 800 million meters of fabrics.

There are rich deposits of gold, silver, copper, zinc, lead, iron, coal, black lead, magnesite and all kinds of mineral ores, which feed our industry sufficiently.

We have the contingent of more than 1.35 million experts and technicians and our people are really hard working and considerably well-educated.

In compliance with the practical requirement of our national economic growth, we have provided legal guarantee for better economic and technical cooperations such as joint venture and collaborations in parallel with foreign trade.

The Law of Joint Venture was proclaimed in 1984, joint venture agreements on more than 70 projects in textile, clothing and machine building industries have been concluded with foreign partners and our overseas compatriots, and about 30 projects have already been completed to start production for export.

Our law on joint venture, based on the principle of encouraging economic and technical exchanges with other countries the world over, introduces various preferences which draw the interest of the world business community.

There is no limit for selection of the areas and sectors for joint venture allowing free undertakings of joint venture and collaboration in any field under the law on joint venture. The income tax of the joint venture is 25 percent only, low enough to guarantee sufficient profit to the joint venture partners, and it may exempt the joint venture enterprises from income tax for 3 years for the normalization of the production.

And the equipments, raw materials and other materials to be imported for the joint venture are completely free from duty and dividend is allowed to be remitted abroad without transfer tax.

We will try to be involved in better mutual understanding and closer cooperation with the global economic and business world on the basis of equality and mutual benefit.

Businessmen Seek Economic Links With North
SK0202061189 Seoul YONHAP in English 0558 GMT
2 Feb 89

[Text] Seoul, Feb.2 (YONHAP)--Top businessmen in South Korea are eagerly jockeying for position in the race to establish economic links with North Korea.

Spurred on by the success of a nine-day trip to the North by Chong Chu-yong, honorary chairman of the Hyundai Business Group, they have begun to study the nuts and bolts of cooperation in preparation for full-fledged economic ties with North Korea.

Chong, in North Korea from Jan.23 to Feb.1, agreed to participate in soviet development projects in Siberia and to help develop Mt. Kumgang in the North as a tourist site. Chong signed a protocol on the details of those projects.

Entrepreneurs in Seoul will discuss Pyongyang's position on inter-Korean economic cooperation after Chong returns Thursday.

Samsung and Goldstar are interested in the export of electronic plants to the North, Daewoo will bid for the construction of a heavy equipment factory while Hyosung will explore the possibility of building a sewing factory, sources said.

The conglomerates also hope to set up a consultative organization to serve as a window to promote inter-Korean trade and investment.

Telephone Line To Link North, South Businessmen
SK0202094089 Seoul Domestic Service in Korean
0900 GMT 2 Feb 89

[Text] It was learned that a direct telephone line linking businessmen in the North and South will open.

A high-ranking government authority said today that during his visit to North Korea, Chong Chu-yong, honorary chairman of Hyundai Group, and Choe Su-kil, chairman of North Korea's Taesong Bank and advisor to the Asia Trade Promotion Association, reached a basic agreement to open a direct telephone line linking the two of them in order to carry out businesses in jointly developing Mt Kumgang.

The person in authority also said that Chairman Chong will reach a complete agreement to open a direct telephone line linking businessmen in the North and South in the second meeting with the North Korean side in April, and that after having working-level consultations, relevant offices will prepare for opening a telephone line.

It was also learned that a direct telephone line linking businessmen in the North and South will open to discuss business matters and exchange of personnel, including technological manpower. It was learned that this direct telephone line will open in the office of Honorary Chairman Chong Chu-yong and the office of Choe Su-kil.

If a direct telephone line opens between North and South Korean businessmen, this will greatly contribute to North-South economic exchange, which will be further expanded, using the joint development of Mt Kumgang as an opportunity.

Group Doubts Further Increase in North's Imports
SK2901030089 Seoul THE KOREA TIMES in English
29 Jan 89 p 6

[Text] North Korea will not be able to increase imports from the south for the time being even after direct trade is realized due to its high external liabilities.

However, there is a strong possibility that exports to the south will be significantly expanded, the Korea Foreign Trade Association said in a report yesterday.

According to the report, total North Korean trade amounted to \$3,540 million in 1987, only one twenty-fifth of the south's trade in the same year.

Specifically, its exports recorded \$1,464 million, up 11.2 percent over the figure registered in 1986 in contrast with \$2,076 million in imports, up 1.45 percent. There was thus a \$615 million trade deficit, up \$121 million.

Major exporting markets of the north were the Soviet Union, China and Japan which together accounted for \$1,423 million or 78.1 percent of its total shipments.

Of the three, the Soviet Union shared a 47.6 percent stake of the North Korean exports.

In the meantime, exports to Socialist countries decreased 2.5 percent, while exports to free countries rose 49.6 percent.

Citing the remarkable increase in the North Korean imports from the free world, the association was optimistic that exports from the south would follow suit in the near future.

North Korea also heavily relied on the Soviet Union and China for its imports. The two Communist giants accounted for 74.4 percent of total northern imports.

North Shipping Anthracite Directly to ROK
OW3101204989 Tokyo KYODO in English 1412 GMT
31 Jan 89

[Text] Seoul, Jan. 31 KYODO—A Panamanian-registered freighter, with 20,000 tons of anthracite bound for South Korea on board, will set sail Wednesday from Nampo, North Korea, for a direct voyage to Inchon, South Korea, Hyosung Corp. said here Tuesday.

This will be the first ever marine transport of goods from North to South Korea under a commercial deal.

North Korea shipped relief goods directly to South Korea in September-October 1984 to aid flood disaster victims.

The 20,000-ton cargo boat will take about 16 hours to reach Inchon, according to a shipping agent here.

Hyosung, a major trading house, has contracted through its Hong Kong subsidiary to import the anthracite from North Korea at 50 dollars a ton.

It plans to import about 70,000 tons of anthracite from North Korea by the end of this year.

North Korean anthracite is priced 5-10 percent lower than the international level, Hyosung sources said.

Firm To Import North Korean Duck Down
SK2901021889 Seoul THE KOREA TIMES in English
29 Jan 89 p 6

[Text] It was learned yesterday that Doosan Industrial will import North Korean duck down in the middle of March.

According to business circles, the general trading company affiliated with the Doosan group will import 11,000 pounds of duck down from a North Korean general trading company through a trading agent in Hong Kong.

There are 11 general trading companies in the north.

Doosan reportedly plans to use North Korean duck down for the production of bedding.

It was learned that the quality of northern duck down is better than produced in the south in addition to its price edge.

Fur Manufacturer Seeks Joint Venture With North
SK2701010489 Seoul THE KOREA TIMES in English
27 Jan 89 p 6

[Text] The Chinto Industries, the world's largest manufacturer of fur goods is seeking to establish a joint venture fur plant in North Korea upon receiving a request from the North.

Business sources said yesterday that Chinto received offers, on several occasions, from a North Korean fur exporter to establish a joint venture plant in the North.

The offer was made at a fur auction in Leningrad, located in the Soviet Union, where Chinto has participated in on four occasions. A North Korean fur exporter also took part in the auction, the sources said.

In this connection, Chinto has decided to switch its intention from direct investments in Southeast Asian countries, such as Thailand, to establishing a joint venture plant in North Korea.

The sources said Chinto has been holding negotiations on the joint venture investment through North Korean embassies in third countries.

Chinto plans to provide the capital and technology, while the North will supply the plant site and manpower, if the joint venture is realized.

The joint venture plant will process raw fur locally produced or imported from the Soviet Union and China, and the products will be exported through Chinto's sales network, the sources said.

North Korean authorities have also given much attention to the fact that Chinto chairman Kim Yong-to and its president Yong-chin were born in Pyongyang. The chairman and president are brothers.

Chinto has imported rabbit fur skins from the North via third countries since the early 1980s.

Meanwhile, the Korean fur goods manufacturer is also seeking to construct a fur coat plant in Moscow in a joint venture.

The Chinto side plans to sell 50 percent of fur goods produced at the Moscow plant to local customers, 30 percent at duty-free shops for foreign tourists and export the remaining 20 percent to third countries. The two sides have already reached an initial agreement on the joint venture, the sources said.

But, the exchange rate between the ruble and the U.S. dollar remains as the only obstacle to an agreement.

Owner, Radioman Arrested in Boat Abduction Case
SK0202021889 Seoul THE KOREA HERALD
in English 2 Feb 89 p 3

[Text] Incheon—Police investigating north Korea's recent seizure of two south Korean trawlers have arrested the man who owns the boats and a radioman.

Hong Kwang-pyo, owner of the Taeyang-ho Nos. 37 and 38 which were taken to the Communist north last Saturday, is charged with having no radioman aboard the ships.

Radioman Hong Pong-ki is accused of forwarding false cables to the Incheon maritime police on the trawlers' location.

Investigators said Hong Pong-ki sent cables to the police claiming that the boats were around Sohuksan-to near Hong-to off Mokpo, Chollanam-to, while they were actually fishing near Paengnyong Island near the border between south and north Korea.

Hong reportedly was on board another boat when he sent the false reports. But it was not known where the boat operated.

Hong allegedly sent the false cables at the request of Taeyang-ho No. 37's former captain, Chon Sung-chong.

Police have found that the owner of the boats submitted a bogus crew member list to port clearance authorities, putting down the name of his brother, "Hong Ung-pyo" a licensed radioman.

The maritime police are continuing their investigation and are searching for Chon, who police say has disappeared since the two ships were taken to north Korea.

The two boats, with 22 people aboard, left the port of Inchon on Jan. 23 and were to return on Feb. 21.

ROK, Hungary To Seek Bilateral Agreements
SK0202083089 Seoul YONHAP in English 0822 GMT
2 Feb 89

[Text] Seoul, Feb. 2 (YONHAP)—South Korea and Hungary have agreed that they need accords on aviation, science and technology and avoidance of double taxation.

The agreement was published in minutes signed Thursday by Zoltan Gombocz, Hungarian vice trade minister, and Yi Tong-ho, Korean vice finance minister, at the end of four days of talks beginning Jan. 30 in Seoul on economic cooperation between the two countries.

During the talks, the two delegations agreed to make efforts to expand trade and to exchange information to promote cooperation among companies of the two nations.

The exchange of information will be conducted by the Hungarian Trade Ministry's Trade Information and Investment Committee, the Overseas Investment Information Center of the Export and Import Bank of Korea and the Korea Trade Promotion Corp.

Based on the agreement on trade and economic cooperation, the two sides will establish a joint government-level committee with the first session to be held in Budapest as early as possible this year. Details of agenda, delegation and time will be fixed later through diplomatic channels.

During the talks, Hungary and Korea also consented to set up a private-level economic cooperation conference to promote exchanges and to strengthen cooperation.

Gombocz headed the five-member Hungarian delegation, while the Korean side was headed by Yi.

Hungarian Leader Invites No Tae-u for Visit
SK0202062689 Seoul YONHAP in English 0607 GMT
2 Feb 89

[Text] Seoul, Feb. 2 (YONHAP)—Hungarian leader Karoly Grosz has invited President No Tae-u to visit Hungary, a government official said Thursday.

The invitation from Grosz, the ruling Socialist Workers Party Secretary General, was extended Wednesday in a personal letter delivered to No by Hungarian State Secretary for Foreign Affairs Gyula Horn during a call at Chongwadae, the presidential office.

Horn was visiting No following the establishment of ambassadorial-level diplomatic relations between South Korea and Hungary earlier Wednesday.

Grosz made a "cordial and earnest invitation for President No to visit Hungary at a convenient time," the official said, and "it was a return courtesy for the president to invite Secretary General Grosz to visit Seoul through Horn."

No first invited the Hungarian leader to visit last year when a Korean presidential envoy visited the communist nation.

If No visits Hungary, he would be the first South Korean leader to visit a communist country since the Korean peninsula was divided into the capitalist South and communist North.

Summit Talks in 'Near Future'
SK0102110189 Seoul YONHAP in English 1126 GMT
1 Feb 89

[Text] Seoul, Feb. 1 (YONHAP)—South Korea and Hungary will hold summit talks in the near future, a high official of the Hungarian Government said here Wednesday.

"After appropriate arrangements are made, the summit will take place in the not-too-distant future," said Gyula Horn, Hungary's state secretary for Foreign Affairs.

Prior to his departure after a four-day visit here, Horn told a press conference that he conveyed a personal letter from Karoly Grosz, secretary general of Hungary's ruling Socialist Workers' Party, to South Korean president No Tae-u.

Horn said No welcomed Grosz's proposal in the letter for a meeting between them.

Horn, who signed an agreement earlier in the day to upgrade the relations between the two countries to ambassadorial level, said the agreement was not an abrupt decision but made through negotiations and discussions over a long period of time.

South Korea and Hungary also signed three other agreements calling for cultural and economic exchanges and visa exemption for diplomats and official passport holders.

Horn said the establishment of full diplomatic relations between the two countries will contribute greatly to the development of productive and constructive relationship.

"It was a decision of utmost significance and the two countries now can expect wide-scale cooperation and partnership," he said.

Horn said the upgrading of Hungary's relationship with South Korea will not affect the relations between Hungary and North Korea. "Our decision was not against any country. But on the contrary, it will help promote international understanding and contribute to peace on the Korean peninsula," he said.

"We don't want any change in our relationship with North Korea and will try to maintain the same relationship in the future," he added.

Horn said he is convinced that the upgrading of relations between Hungary and South Korea will contribute to the settlement of peace and reunification on the Korean peninsula.

He said it is true that North Korea recalled its ambassador to Budapest last year in protest against Hungary's exchange of permanent missions with South Korea, adding that his government has not been informed whether North Korea would send his successor.

Horn said his country did not consult the Soviet Union before making decision to upgrade the relations with South Korea.

"We did not have separate discussions with the Soviet Union on the issue, but we have not received negative responses from any countries in the world, including the Soviet Union," he said.

Horn said he expects the economic cooperation between South Korea and Hungary will be greatly promoted.

Korean and Hungarian businessmen are examining the feasibility of joint ventures and other forms of economic cooperation in such fields as electronics, telecommunications, car manufacturing and hotel construction, he said.

Horn also said the trade between the two nations, which stood at 29 million U.S. dollars last year, is expected to increase "spectacularly" in the near future.

Full Diplomatic Ties Welcomed

SK0202020289 Seoul THE KOREA TIMES in English
2 Feb 89 p 8

[Editorial: "Full Ties With Hungary"]

[Text] The establishment of full diplomatic relations with Hungary, accomplished yesterday with the signing of all documents required in Seoul by Foreign Minister Choe Ho-chung and visiting Hungarian State Secretary for Foreign Affairs Gyula Horn, is indeed a historic milestone in the nation's diplomatic relationships with socialist countries.

Hungary has become the first communist state to set up ambassadorial relationship with our republic since its founding 41 years ago, three years after Korean liberation from Japanese colonial rule in 1945. It is the 131st country with which our nation has set up diplomatic ties.

The full Seoul-Budapest bond must be noted as the first diplomatic success attained by the No Tae-u government of the Sixth Republic in line with its drastic northern policy to improve relations with all countries, transcending differences in ideologies and political systems.

It is of great significance in that it is widely expected to provide momentum to improving our relations with the Soviet Union, China and other socialist countries, and especially to lead even North Korea to ease its closed-door policy, in tune with the current global tendency toward a new detente among the world nations.

To recall, the Korea-Hungary diplomatic bond has been attained as rapidly as four months after the two countries reached the accord last September to exchange permanent missions, namely trade offices, later last year.

The need of establishing such official relations was begun to be felt by the Hungarians after Korea's stepped-up northern policy was proclaimed openly in the July 7 declaration last year by President No.

Noteworthy is the fact that the two governments have paid special heed to the procedural requirements for improving their formal ties by signing diplomatic documents, instead of just exchanging memorandums or announcing a joint communique.

At the same time, the Korean foreign minister and the Hungarian state secretary for foreign affairs joined in the signing of papers of agreement on economic cooperation, avoidance of double taxation, exemption of visas for diplomatic and official passport holders and cultural cooperation, all schemes needed to pave the way for substantial binational cooperation.

In the initial negotiations, Hungary reportedly expressed differences in views, disagreeing with the Korean bid to set up official ties at an early date and counterproposing a gradual improvement of the relationship with Seoul, apparently wary of the positions of North Korea and other socialist countries.

Yet, reports had it that a breakthrough was made after a Korean delegation fully expounded Korea's northern policy to the top Hungarian leader Mr. Karoly Grosz.

With the 1988 Seoul Olympics as a turning point, Hungarians began to improve their image of Korea and then moved to take a positive approach to the setup of permanent missions in the capitals of the two countries.

The establishment of full diplomatic ties by elevating the trade offices to ambassadorial level is expected to expedite binational cooperation in political, economic, cultural and other fields.

In addition, in light of the fact that Hungary is among the members of the Warsaw pact and also the Council for Mutual Economic Assistance (Comecon), the East European economic bloc, a good precedent has been established for the improvement of relations with other East European socialist countries with which no diplomatic ties have yet been set up.

Accordingly, diplomatic observers reportedly share the prediction that such socialist states as Yugoslavia, the Soviet Union, Poland and Bulgaria, which have already agreed to open trade offices in Seoul, will follow Hungary's suit sooner or later in the near future.

In particular, the visiting Hungarian state secretary is expected to become informed of our positive northern policy while in Seoul and to explain it to leaders of other East European countries after he returns home so as to serve in helping them understand the Seoul policy accurately.

In this context, the Korean Embassy in Hungary will serve as the official outpost for contacts with East European countries that have no official ties with Seoul.

The northern policy must be pushed ahead so as to help create a favorable climate for the realization of our ultimate goal of unifying South and North Korea by conciliation with Pyongyang.

Our government is advised to be circumspect in pursuit of its northern policy so as not to hamper our long-standing close ties with the West.

Restraint in Opening to East Bloc Urged
SK2801025289 Seoul THE KOREA TIMES in English
28 Jan 89 p 8

[Editorial: "Prudent Northern Approach"]

[Text] Misgivings are being raised as to the recent rapid acceleration of economic exchanges with North Korea and other socialist states in line with the stepped-up northern policy. This is apparently because it is questionable whether the rapid moves to seek trade, joint-venture investments, and other forms of economic cooperation with those communist countries will really serve the national interest.

Doubts are being raised about whether the government has any well-rounded and steadfast strategy to push ahead with stepped-up economic exchanges with the socialist nations with which we have no diplomatic ties as yet.

We have no objections to the great cause of seeking peace and joint prosperity with all nations, transcending ideological and systematic differences. However, the government should have persuaded the people of the need to improve relations with those countries which have been hostile to us until recently.

As a matter of fact, the northern policy, which began invisibly around the 1988 Seoul Olympics only seven months ago, has made remarkable progress.

We want to again stress that the policy fundamentally aims at encouraging North Korea to open its tightly-closed doors so as to engage in exchanges and become reconciled with the South in the direction of creating an atmosphere for the divided South and North to step toward reunification.

We should take a serious view of the latest incident in which about 10 Soviet military aircraft reportedly encroached on the nation's Air Defense Identification Zone off the west coast in reconnaissance flights on six separate training exercise missions last Saturday, apparently timed with the three-day stay here by Vladimir Golanov, vice president of the Soviet Chamber of Commerce.

The incident might easily be regarded as a ploy to show Soviet military strength in support of North Korea, an act well indicative of its stick-and-carrot policy toward South Korea.

For our part, taking the decision to follow the suit of the Soviet Union and other socialist countries in separating economics from politics, we should fairly take issue with the Soviet encroachment by openly denouncing it.

We should follow a similar line of action in dealing with China and other socialist nations. While Beijing sticks to its overture to exchange merely trade missions with Seoul as the result of its considerations to keep on the good side of North Korea, we should demand the exchange of diplomatic missions for the cause of the two nations' interests and also the peace and prosperity of Northeast Asia as a whole. This demand is not to isolate Pyongyang from the world community but to induce it to join in the worldwide move to open doors internationally.

It is encouraging to witness the fact that other East European countries are promoting exchanges with South Korea in a bid to pattern themselves after the Korean economic development model.

But we should halt and reconsider our rash approach toward Hungary, for instance, where one South Korean firm has already decided to invest \$120 million in a joint venture to establish a motor assembly plant after only several months of economic exchanges between the two countries. This is because more than 230 enterprises from Europe, the United States and Japan reportedly have thus far invested only a total of slightly over \$200 million in that country over the past two decades.

The socialist states' approach toward us has originated from their economic needs for our capital, technology and experience in their pursuit of domestic industrial and regional development. Their moves are in line with the traditional Soviet policy to advance southward and other socialist countries' eastern policy to beef up their influence on the Asia-Pacific rim.

At the same time, we should maintain our awareness of the existence of ideological and military tensions on the Korean Peninsula. Accordingly, under these circumstances, private businesses need to be prudent and astute in their approach toward the socialist countries by refraining from rashly vying in an attempt to advertise their activities in the East bloc. Korean industry must seek advances into the region after cautiously pondering not only actual business gains but also the national interest.

Telephone Links With East Europe Expanded
SK0202014489 Seoul THE KOREA TIMES in English 2 Feb 89 p 2

[Text] From now on, people are free to make telephone calls to an additional 20 countries, most of them in Eastern Europe, through the International Subscriber Dialing (ISD) system, the Communications Ministry announced yesterday.

Thus far, telephone communications with the Socialist countries had been made sparsely and on a trial basis since the Seoul Olympic games in September, last year.

The 20 nations are the Soviet Union, China, East Germany, Poland, Czechoslovakia, Hungary, Romania, Bulgaria, Yugoslavia, Vietnam, Syria, South Yemen, Angola, Zambia, Zimbabwe, Congo, Tanzania, Togo, Mali and Benin.

A ministry spokesman said that the full liberalization of international phone contacts with the countries will help Korea boost economic cooperation and tourist exchanges with them.

He also said that the full-scale ISD service was aimed to meet the rising demand for telecommunications with the Communist countries.

By covering the 20 countries with the ISD, the only countries to which Korean subscribers cannot make phone calls are two—North Korea and Albania.

Factors Hinder Trade, Investment With PRC
SK2801043489 Seoul THE KOREA TIMES in English 28 Jan 89 p 6

[Text] There are a number of obstacles which hinder the nation's trade with and investment in China even though economic exchanges with the mainland China have sharply increased on a private level since last year.

They are mainly attributed to Chinese economic restrictions and the lack of experience of Korean business concerns rather than the absence of diplomatic relations between Seoul and Beijing.

According to a study by the Trade-Industry Ministry, the tardy development of trade with China can be expected due to Chinese economic problems such as poor telecommunications facilities, delay in the transportation of products and long negotiations.

Trade problems arising from the absence of diplomatic relations are the non-existence of government-level channels for trade negotiations, complicated procedures for the entry to China and difficulties in the establishment of branch offices in China by Korean business concerns.

In the meantime, investment obstacles in China are lack of investment guarantees by Beijing, strict investment regulations, poor Chinese productivity and difficulties in securing raw materials and parts.

On the other hand, Korean business concerns hesitate to invest in China because of their poor information on Chinese investment conditions and lack of experience in overseas investment.

However, the ministry said that trade with and investment in China are improving due to the gradual removal of obstacles related with the absence of diplomatic ties between Seoul and Beijing.

Last year, the nation's trade with China amounted to \$3.1 billion including \$1.7 billion in exports, indicating that the mainland has emerged as one of the major trading partners of Korea.

At present, 11 Korean business concerns have received permission from Beijing to set up joint ventures in China or operate some joint venture plants.

POSTECH, PRC Institute To Sign Cooperation Pact
SK3101053089 Seoul YONHAP in English 0519 GMT 31 Jan 89

[Text] Seoul, Jan. 31 (YONHAP)—Pohang Institute of Science and Technology (POSTECH) and China's Institute of High Energy Physics will sign an agreement in mid-February on scientific and technical cooperation, the president of POSTECH said Tuesday.

It will be the first such agreement with Beijing, which has no diplomatic ties with Seoul.

Kim Ho-kil, president of POSTECH, said that during a visit to the Chinese institute Dec. 13-17, the two institutes initialed an agreement on cooperation in the implementation and operation of the synchrotron radiation source, the first such accelerator in South Korea.

The synchrotron radiation source, unlike other kinds of accelerators, is used in the development of new materials and in biotechnology.

Detailed matters will be discussed related to the production of accelerator components and the interchange of scientists, engineers and technicians in the field of accelerator physics, when POSTECH officials visit the Chinese Institute in Beijing Feb. 11-15 for concluding the pact, Kim said.

A POSTECH spokesman said the cooperation with the Chinese institute rather than a Western institute is expected to reduce the cost of building the high-tech accelerator.

The official also said that China is on a par with the West in the field of accelerator physics.

The two institutes, meanwhile, agreed Dec. 16 to set up a joint committee to ensure the success of the agreement, the official said, adding that the committee will meet once a year, alternately in Beijing and Pohang, 265 kilometers southeast of Seoul.

Finance Minister on Trade, Other Issues

SK2901031089 Seoul THE KOREA TIMES in English
29 Jan 89 p 6

[By staff writer Kim Chom-tong]

[Text] The government plans to actively engage in talks with East European and other nations with which Seoul has no diplomatic relations to promote joint venture businesses, trade, financial and economic cooperation, the nation's top financial policy-maker said yesterday.

Finance Minister Yi Kyu-song also said that he hopes the days would come soon when North Korea requests loans similar to those from the Overseas Economic Cooperation Fund, which go to the developing countries at long-term, low-interest terms. This year's fund is scaled at 190 billion won (approximately \$272 million)

Disclosing that inflow of "hot money" into the country from abroad is one of the most difficult problems, Yi said in an interview with The Korea Times that the government will spare no efforts to block such money coming into the nation.

"What is most desirable is to encourage the money that introduces modern industrial facilities and equipment from abroad," he went on. "But when it is believed quite necessary for investments in service and manufacturing industries and for some other special purposes, we will have to take flexible measures to approve the money even though it is perceived to be a sort of hot money."

The 50-year-old minister was referring to mainly speculative investment money coming from abroad with the aim of making quick big gains by capitalizing on the appreciation of the Korean currency won against the U.S. dollar.

Yi, who became finance minister on Dec. 5 last year, however, stressed that domestic markets would be drastically liberalized by lifting restrictions on investments by foreigners.

"We will eliminate anything in tax systems and regulations considered unreasonable for foreigners' investment," he continued. "There will be no differential or discriminatory points. They (foreign investors) will be treated the same as their Korean counterparts."

"We will try to guarantee to the maximum the interest of the foreign banking and financial institutions based here in Korea on a reciprocal basis," he said, adding that they might contribute to modernizing the domestic banking and financial markets." [quotation marks as published]

"But we will take stern actions against those foreigners abusing pertinent Korean laws and regulations to avoid paying due taxes," he emphasized.

Touching on the policy at a time when the nation's financial market is being expanded surprisingly these days, he said that the foreign exchange market and the financial liberalization is no longer decided upon by "discretionary judgement, but by market force."

As to the concern of some people about possible capital flight overseas following the liberalization for free purchase of overseas real estate, private deposits in foreign banks and investment in overseas securities, Yi explained that the time has gone when the nation worries about such activities.

"I firmly believe that such investment funds abroad will be for the productive purposes of the nation," he said.

Replying to a question on import liberalization, the career financial official said that the door would be open more widely for imports of foreign merchandise.

Lifting import restrictions was a serious matter when the nation saw chronic trade deficits, he explained, adding, "Now, the nation has begun to record trade surpluses and the liberalization in general will help greatly better welfare of the people, although we will have to take due measures to protect some industries supposed to be adversely affected by the policy."

According to the minister, Korea will turn into a creditor nation by the end of this year with overseas assets chalked up at \$31.5 billion and foreign debt at \$28.5 billion.

The Finance Ministry is to provide all possible support to expedite trade promotion with the nations with which Seoul maintain no diplomatic ties, including East European countries, Yi stated. But investments in those regions should be based on a far-sighted standpoint, he added.

"We will help establish various correspondent relationships between Korean and foreign banks in those nations and conclude investment guarantee agreements and avoidance of double taxation accords," he said.

Noting that Korea is chairmanship nation for this year's general meeting of the IBRD and IMF in Washington, D.C. in September, the would-be chairman opined that he would do his utmost to produce fruitful results in the coming conference and to contribute to the healthy development of the world economy.

Discusses Foreign Debt

SK2901040289 Seoul THE KOREA HERALD
in English 29 Jan 89 p 4

[Article by staff reporter Choe Song-chin]

[Text] Korea will repay its \$5.3 billion foreign debt, \$2.4 billion ahead of schedule, to become a net creditor nation for the first time this year.

The current account surplus, a bloated \$14 billion last year, will be trimmed to \$9.5 billion by the end of the year, Minister of Finance Yi Kyu-song said yesterday.

In an interview with THE KOREA HERALD, Yi said that although many years have passed since Korea first had a current account surplus, the persistent deficit mentality of the people hampers government economists.

The days are long gone when the country could restrict the free inflow of foreign commodities and capital under the excuse of defending international payment surplus, he said.

In a surplus era, the minister said, the policy-makers' perspective should be expanded to drastically increase imports and allow free capital transactions for the ultimate purpose of promoting people's welfare.

Liberalization and internationalization of the economy, however, should proceed under a gradual and balanced approach so as not to seriously hurt domestic industry, Yi said.

In light of these efforts, he said, the government has no intention to block the inflow of foreign capital meant for facility investment or other sound purposes, though it may bring some headaches in monetary control policy.

"We will be flexible in permitting the foreigners bringing in money for essential business needs but will take tight rein on the influx of speculative hot money to cash in on the booming stock market and still wide gap between interest rates here and abroad," he said.

He said the revaluation of a currency must be the policy of its country, taking into account currency values of major trading partners, the international balance of payments and the competitive edge of its industry.

There is speculation that the United States might step up its pressure for a stronger won because those U.S. officials who have been pushing currency appreciation are taking prominent positions in the Bush administration.

Resisting outright Washington pressure to strengthen the won, the government made it clear three years ago that currency revaluation is not a matter to be determined by international negotiation. The U.S. side, however, has since not loosened its demand and included Korea among its selected countries subject for bilateral currency talks last October.

Asked on the desirable role of foreign banks and other financial institutions operating here, Yi said it's OK that the alien financiers seek own profits but in the process, they should try to contribute to advancing and sophisticating the local institutions, which he admitted are still out-dated and closed to outside world.

Minister Yi said he is satisfied with the present tempo of capital market liberalization and sees no need for establishing another offshore investment fund except for enlarging the size of the existing ones.

The government is all for providing national treatment for foreign businessmen here, in both manufacturing and financial sectors, which means they (the foreigners) will neither enjoy exceptional favors in tax and financing nor suffer from discriminating obligations, he said, adding that such step should be met in reciprocal basis abroad.

Commenting on the probability of adverse effects resulting from the relaxed foreign exchange system, he said capital flight will be no longer the problem because the only remaining thing in its efforts toward free exchange market is the won's convertibility in international economy.

"What matters is that the Koreans' overseas investment, including real estate purchase, should be made in acceptable ways both for compatriots and foreigners," he maintained.

The minister, who took office last December and has since called for Korea's playing a bigger role in global economy befitting its own economic growth, said that the government is ready to provide loans to less developing countries in ways to boost mutual benefits, such as through enlarging the size of its Economic Development Cooperation Fund.

He said the next few years will be most crucial period for the nation's economy, including the financial sector, which has been operated by the government's discretionary judgment, will be left to free market hands. [sentence as published] Only prudent but creative efforts will solve difficulties rising in the process, he said.

The minister, who will preside over this year's IMF-IBRD annual assembly, said he hopes to come up with a fresh initiative for international economic cooperation on the occasion.

Further Opening of Domestic Market Slated

SK2801023588 Seoul YONHAP in English
0211 GMT 28 Jan 89

[Text] Seoul, Jan 28 (YONHAP)—In a move to reduce its current account surplus, Korea will open its domestic market on a full-scale basis for imports of industrial goods, agricultural products and services, Deputy Prime Minister Cho Sun said Friday.

The Economic Planning Board (EPB) said Saturday that Cho, concurrently EPB minister, made the remarks at a briefing on Korea's economy for about 100 world economic leaders in Davos, Switzerland, after the opening day session of the three-day meeting of world economic leaders sponsored by the World Economic Forum.

Cho emphasized that the Korean economy has recently experienced rising demand for equity and balance at home, while suffering from deepening trade frictions due to its expanding trade surplus and foreign pressures to reduce the surplus.

The government will stabilize the current account surplus, which accounted for nine percent of gross national product (GNP) last year, at the six billion to seven billion dollar level, or two to three percent of GNP, the minister said.

To promote imports, the government will lift non-tariff barriers through a considerable reduction in restrictive measures on imports imposed by special laws and also cut tariff rates from this year's 12.7 percent to seven percent, close to the level of OECD (the Organization for Economic Cooperation and Development) countries, Cho said.

The deputy prime minister said Korea will promote overseas investment and increase foreign aid through the Economic Development and Cooperation Fund (EDCF).

As for capital market opening, Cho said the government plans to make efforts to sufficiently develop the domestic capital market before full-scale liberalization, stressing that hasty capital market opening could threaten sound development of the economy.

Meanwhile, at the world economic leaders meeting earlier the same day, Cho said that a reduced external surplus and greater reliance on domestic demand for economic growth

by the newly industrializing countries (NICs) will contribute to alleviating the external imbalance in the world. He stressed that the efforts by the NICs will be fruitful when supported by advanced nations' active industrial adjustment to improve the international trade environment and world economic growth.

Cho said that exports accounted for 43.8 percent of South Korea's economic growth last year, far below 72.5 percent in 1987. He forecast this year's figure at about 40 percent, adding that domestic demand will play a more important role than exports in Korea's economy in the future.

Early Opening of Agricultural Market

SK3001060089 Seoul YONHAP in English 0539 GMT
30 Jan 89

[Text] Seoul, Jan. 30 (YONHAP)—To reduce trade friction with the United States, the Korean Government will open the domestic market to agricultural goods ahead of schedule, the Trade and Industry Ministry announced Monday.

Restrictions on imports of U.S. beef, pork, chicken, wine, juice and alcoholic beverages will be relaxed ahead of schedule because the U.S. Government may file a suit against Korea for alleged unfair practices as regards these items.

It will also devise measures to protect of U.S. intellectual property rights.

To get a handle on the country's trade surplus, the ministry will soon announce the import liberalization schedule for 547 items including agricultural goods. It will also ease import restrictions from February with complete market opening for industrial products expected in two or three years.

As for motion pictures, the government will streamline import procedures including adoption of pre-censorship by the Korean Ethics Committee of Public Performance, a non-governmental organization, as well as abolition of the deposit system under which film importers must deposit some money in registration, and the Culture and Information Ministry recommendation system.

To spur imports, the ministry will focus on nations, such as the United States, that have trade deficits with Korea, expand imports of high-tech facilities for large-scale projects and enlarge horizontal international specialization in various industries including automobiles.

The government plans to extend the financial support granted to exporters to importing firms as well, to impose a tariff quota system on 80 items and bestow tax favors on imports of high-tech facilities.

To prevent a possible infiltration of imported goods into the domestic distribution structure, it will survey distribution of foreign products and push ahead with financial support for firms in charge of distribution of imported goods.

The ministry will establish a task force including officials of concerned authorities and organizations to effectively promote imports.

Increased Imports To Offset Won Appreciation
SK2701021489 Seoul YONHAP in English 0208 GMT 27 Jan 89

[Text] Seoul, Jan 27 (YONHAP)—Major Korean trading houses have adopted a policy of increasing imports substantially this year to cope with their shrinking profitability stemming from the Korean currency's continuing appreciation.

Business sources said Friday most Korean general trading companies have targeted import increase rates at more than 20 percent compared with last year.

Samsung set the year's import volume at 3.1 billion U.S. dollars, up 24 percent from last year, while its projected export increase rate was set at 18.5 percent.

Daewoo plans to import 2.2 billion U.S. dollars worth of merchandise, up 22.2 percent from a year earlier, Gold Star seeks to import 560 million dollars worth, up 36.6 percent, and Ssangyong plans to import 660 million dollars worth, up 32 percent.

Hyosung targets the highest import increase of 48.8 percent with an import volume of 380 million dollars.

The increased imports projected by trading arms of ranking business groups are attributed to decreased government benefits for exporters as well as expected import gains resulting from the won's appreciation.

End To Tax Evasion by Foreign Firms Sought
SK2801021388 Seoul YONHAP in English 0200 GMT 28 Jan 89

[Text] Seoul, Jan 28 (YONHAP)—South Korea will step up measures to cope with tax evasion by foreign companies operating in South Korea, said So Yong-taek, commissioner of the National Tax Administration (NTA), Saturday.

So said that a growing number of foreign concerns are suspected of dodging taxes despite increasing gains as they capitalize on the government's overall trade liberalization policy.

Firms found engaged in tax evasion use various methods including false reports of business operation results and feigned office locations outside Korea, according to So.

The top tax administrator charged that foreign enterprises, especially those dealing in technical services, construction and trading have been attempting to exploit Korea as a 'tax haven.

To effectively manage tax sources stemming from expanded international trade, the NTA will establish a tax analysis system for categories vulnerable to tax evasion, including high royalty payments, he said.

So's remarks came during an NTA session during which he presented his directives on major tax policies for 1989.

Foreign Ministry To Join Human Rights Pacts
SK3001030789 Seoul YONHAP in English 0252 GMT 30 Jan 89

[Text] Seoul, Jan. 30 (YONHAP)—The Foreign Ministry plans to join two international human-rights-related pacts—the international human rights covenants and the convention against torture and other cruel, inhuman treatment or punishment.

"The Foreign Ministry is seeking to submit the ratification motion bills for the two international human rights-related agreements in a move to declare the Sixth Republic's will to secure a society free from human rights violations by wrong exercise of public power," a ministry spokesman said Monday.

The ministry will submit the bills to the National Assembly session scheduled for three weeks beginning Feb. 13 if the Justice Ministry gives the greenlight before the session begins, the spokesman said.

"The government plans to exclude the two clauses that contradict with Korean internal laws—the one is what stipulates prohibition on double punishment, and the other is what stipulates on equal rights of spouses," the spokesman said.

"If related Korean laws are revised in the future in a way that does not contradict with the two clauses reserved, the government will withdraw such a reservation by simply notifying the United Nations of our such revision," the spokesman added.

By entering the human rights covenants, Korea commits itself to submit reports on the human rights situation in the country to the United Nations at any time, the spokesman said.

Under the anti-torture convention, Korea should allow an international committee to investigate any possible torture acts at the request of a victim.

The drafts of the international human rights covenants, which comprise a covenant on economic, social and cultural human rights (Covenant A) and a covenant on civil and political human rights (Covenant B), were adopted at the United Nations in 1966, and came into effect in 1976.

Ninety-two nations have entered Covenant A and 87 nations Covenant B. North Korea entered the covenants without any reservations in 1981.

The convention against torture and other cruel things, came into effect in 1987, since when 63 nations have signed it while 29 nations have completed domestic ratification procedures, according to the Foreign Ministry.

Former Chon Aide Ho Mun-to Returns From Japan
SK0202102489 Seoul YONHAP in English 1017 GMT
2 Feb 89

[Text] Pusan, Korea, Feb. 2 (YONHAP)—A confidant of disgraced former President Chon Tu-hwan, whose surreptitious departure abroad last December touched off fierce public anger, returned home Thursday after a 33-day stay in Japan.

Ho Mun-to, who had been a key witness in the parliamentary hearings examining the irregularities allegedly involving Chon administration for his leading role behind Chon's authoritarian press policy, has stirred up suspicions, when he disappeared in Korea at the end of December, that he might have fled away to avoid possible judicial action against him.

The 48-year-old former journalist, who served as senior presidential secretary for political affairs for Chon, had testified before parliamentary hearings that he was responsible for the forced mergers of some private news media organizations shortly after Chon took office in 1980.

Upon his arrival at Pusan's Kimhae International Airport aboard a Korean Air flight from Fukuoka, Japan, Ho told reporters that he would visit Chon to the Paektam-sa Buddhist temple where Chon and his wife are living in self-imposed exile.

Ho had visited Chon before his departure in December last year.

Reaffirming that he had not been involved in the massive dismissal of journalists in 1980, Ho said he is willing to take the witness stand again in parliamentary hearings "whenever it is necessary."

Ho said he had stayed at the business hotel and his relatives' in Tokyo collecting research materials on Japanese conservative politics, adding that he will lead a "quiet" life studying the Japanese-Soviet and the Sino-Japanese relations.

Ulsan Police Officer Arrested in Hyundai Case
SK0202014689 Seoul THE KOREA TIMES in English
2 Feb 89 p 2

[Text] Ulsan—The Ulsan branch of the Pusan District Prosecutors' Office yesterday arrested Supt. Kim Yong-kap, 54, former head of the security section at the Ulsan Police Station on charges of dereliction of duty, power abuse and forgery of official documents.

Prosecutors also booked Sr. Supt. Kwon Chong-ra, 54, former chief of the police station without physical detention and had Sgt. Kim Sang-ku, chief of the Sangbuk police box, reprimanded.

The three had been undergoing prosecution questioning concerning their dereliction in the wake of the January pre-dawn assault on unionized Hyundai workers by pro-management "company crusaders."

The police officers are suspected of being deeply involved in the controversial terroristic attack in the union leaders in this large industrial complex where Hyundai subsidiaries are clustered about.

Prosecutors said the officers received advance information about an assault plot, but did not take any measures to abort the pro-management workers' raids at two separate sites on the Ulsan outskirts on Jan. 8.

When two buses, loaded with about 100 pro-management workers, were stopped at the Sangbuk police checkpoint, Sr. Supt. Kwon and Supt. Kim ordered their men, by telephone to let them go back.

Both of them were already informed that company crusaders in two groups, led by Yi Yun-sop, 36, an anti-union movement activist, were heading for their target destinations, prosecutors said.

Military Accused of Fabricating Kwangju Data
SK2801031088 Seoul THE KOREA HERALD
in English 28 Jan 89 p 2

[Text] A witness yesterday charged the military with fabrication of materials necessary for the investigation of the Kwangju incident.

Testifying at a National Assembly hearing, Chong Sang-yong also demanded punishment for "the group of politically oriented soldiers" responsible for the incident in order to foster national reconciliation.

Now a lawmaker for the opposition Party for Peace and Democracy, Chong served as a key member of the "civilian army" during the massive civil uprising in May 1980.

The assembly session also heard testimonies from five other witnesses, including two colonels who commanded special warfare battalions dispatched to quell demonstrations during the incident.

Former President Chon Tu-hwan and Chang Sa-pok, then staff member of the Combat Education Command, had also been selected as witnesses, but they did not attend the session.

Lawmakers on the assembly panel investigating the incident decided to send a writ of summons to former President Chon again. They admitted there were some "flaws" in the procedure when the assembly order was conveyed to Chon Thursday.

An assembly official carrying a writ of summons visited the Paektam Temple where Chon is staying, but he conveyed the order to Chon's aide instead of delivering it directly to the ex-president.

Chong told the session that he participated in the civilian army because he was enraged at the "murderous and barbarous" behavior by paratroopers.

He said the civilian protesters had not armed themselves until the martial-law troops opened fire at them.

Noting that various military documents give different accounts of when the demonstrators seized guns and other weapons from reservist armories, Chong said the military is suspected of having concocted some of the materials in an effort to cover up some developments during the incident.

He also charged that the government is concealing facts necessary to determine the exact number of casualties.

Maintaining that a number of victims were secretly buried by the military, the PPD lawmaker called for more thorough investigations in Kwangju. He also proposed forming an "autopsy team" to determine whether the remains recently unearthed in the city are of those killed during the incident.

He criticized ruling party lawmakers on the panel for siding with the military, and urged them to show sincerity in their efforts to establish the truth.

Chong called on ex-President Chon to take the witness stand, saying, "If he does not have the courage to do so, I dare ask him to kill himself."

He accused some witnesses recommended by the ruling camp of perjury, adding that their false testimonies have further enraged the Kwangju citizens.

"The politically oriented soldiers responsible for the incident should disclose all the facts and beg for pardon. Only then will national reconciliation be possible, he said.

2-Day Session of Kwangju Hearings Ends
SK2801031588 Seoul YONHAP in English 0244 GMT 28 Jan 89

[By Hong Sang-pyo]

[Text] Seoul, Jan 28 (YONHAP)—Parliamentary hearings on misdeeds during the government of former President Chon Tu-hwan virtually ended Friday with crucial questions still remaining on many controversial matters, including the 1980 Kwangju civil uprising.

A National Assembly special panel probing the Kwangju uprising ended two days of hearings Friday but failed to reach agreement on whether it will resume the hearings, which began last November for the first time in South Korea's 40-year modern history.

Another Assembly special committee and a standing committee also held a series of separate hearings on alleged irregularities during the Chon era and the forced merger and closure of news organizations in 1980, when Chon rose to power with military backing.

The parliamentary hearings, which were telecast live nationwide, drew a broad range of public attention, with some hearings enjoying record-high viewing rates.

The opposition, which took the initiative for conducting the hearings based on its combined majority of National Assembly seats, insisted that the hearings on the Kwangju civil movement for democratization be resumed to further probe key questions, including who first gave the order to open fire on civilians.

But the ruling Democratic Justice Party (DJP) headed by President No Tae-u hopes that the hearings will be ended.

The ruling camp proposed instead that the investigation into the Kwangju incident and other wrongdoing and misdeeds be conducted by the panels' subcommittees.

The DJP also suggested that the assembly take follow-up measures for the investigation, including enactment of a special law on compensating victims of the suppression of the bloody civil uprising, which, by official count, left 193 people dead and hundreds of others injured.

Opposition sources acknowledged that the hearings are unlikely to be resumed. The planned trips abroad by opposition leaders Kim Tae-chung, Kim Yong-sam and Kim Chong-pil from late this month to early February, according to the sources, could be an "obstacle" for resumption of the hearings.

The opposition, however, is expected to call for punishment of some witnesses, who it charged gave false testimony at the hearings.

Regarding the Kwangju hearings, the largest opposition Party for Peace and Democracy (PPD) led by Kim Tae-chung will seek lawsuits based on perjury charges against then key military leaders, a party source said.

They include Rep. Chong Ho-yong, then commander of the Special Warfare Forces which have been criticized for their alleged brutal suppression of civilians at the time of the incident, Yi Hui-song, then martial law commander, and Chu Yong-pok, then defense minister.

The ruling party has opposed the opposition's move to seek punishment of those involved in the Kwangju case denouncing the move as political retaliation.

The three opposition parties will again call for testimony at the special Kwangju panel by former Presidents Chon and Choe Kyu-ha.

The two former chief executives persisted in their rejection of compliance with writs ordering them to appear at the panel hearing on Thursday, causing a major deadlock in the efforts to unveil the truth behind the Kwangju uprising.

By ignoring the writs of summons, they could face up to five years in prison under the law on testimony and audit at the National Assembly, but it is unlikely that the opposition-controlled special panel will file a lawsuit against the former presidents.

Friday's hearing was intended to determine who first gave the order to open fire on demonstrators in the initial stage of the 10-day violent protests and whether the martial law forces used excessive force in quelling the uprising.

Key military commanders, in their testimony at the hearing, denied charges that the military indiscriminately opened fire on violent demonstrators. They also said they did not know who gave the order to open fire.

Opposition Opposes End of Probes

SK2901031489 Seoul THE KOREA TIMES in English
29 Jan 89 p 2

[Text] The opposition yesterday raised a strong objection to the move of the government party to put an end to the activities of the special Assembly panels on misdeeds of past administration and 1980 Kwangju turmoil following the termination of prosecutors' investigations.

The three opposition parties severely denounced yesterday that the prosecutors had given up investigating the abuse of power and other scandals involving ex-president Chon Tu-hwan and his wife Yi Sun-cha, focusing its probes on trivial misdeeds involving several aides to Chon.

The prosecution task force virtually concluded its investigation of Fifth Republic misdeeds by arresting Chang Se-tong, former chief bodyguard for Chon, on charges of abuse of power Friday.

The hardline opposition groups also called for resumption of investigations and the arrest of Yi Won-cho, lawmaker of the governing Democratic Justice Party, who allegedly collected political funds amounting to hundreds of billions of won for the ex-president and his regime. Yi was released for lack of evidence after interrogation.

The three opposition parties firmed up their determination to jointly initiate legislation to introduce the special prosecutor system during an extra full Assembly session slated for Feb. 13.

Kim Tae-chung, president of the Party for Peace and Democracy, said in a press conference yesterday, "Prosecutors are deceiving the people by probing only trivial irregularities involving aides to ex-president Chon. We can not tolerate their failure to investigate Chon's abuse of power and accumulation of wealth."

Hwang Myong-su, vice president of the Reunification Democratic Party, said there are signs that the prosecutors' investigation of Fifth Republic misdeeds proceeded under a scenario worked out through consultation with the Democratic Justice Party.

Chon May Submit Written Testimony to Panel SK2801031889 Seoul THE KOREA HERALD in English 28 Jan 89 p 2

[Text] The ruling party plans to have ex-President Chon Tu-hwan give written testimony to the National Assembly instead of having him take the witness stand before the parliamentary panel as the opposition demanded.

Chon, now staying at a Buddhist temple on Mt. Sorak to atone for his past wrongdoings, responded favorably to the DJP idea, the party floor-leader Kim Yun-whan said yesterday.

Once one of Chon's most-trusted aides, Kim also said that Chon's secretaries are already working on his written testimony, which Chon said will clarify his role in such things as the Ilhae Foundation and the Kwangju incident.

Kim said that if the opposition approved the written testimony, the idea will be applied to Choe case.

Whether the opposition will accept the DJP idea is doubtful.

The three opposition parties have demanded that Chon and his predecessor Choe Kyu-ha testify in person before the National Assembly.

If Chon's written explanation is deemed insufficient, Kim said, the panel members can visit Chon's new residence only once to question him.

But the opposition, claiming that Chon masterminded the Kwangju incident, said that he should appear before the National Assembly hearings under any circumstances.

Chon's written explanation will also cover the Samchon reeducation program, the May 17, 1980, imposition of nationwide martial-law and the state-led merger and closure of major business groups in 1983, Kim said.

Both Chon and Choe have defied three previous summons issued by the ad hoc panel investigating the Kwangju incident in which nearly 200 people were killed.

The ruling party floor-leader said that parliamentary hearings on the Kwangju and other Chon administration cases ended with yesterday's Kwangju hearing.

But the opposition had demanded that the hearings continue to be held until whole truth is determined.

The DJP reportedly has begun behind-the-scenes contacts with the opposition parties on the Chon's written testimony matter, another high DJP official said.

The official, who spoke on condition of anonymity said that a compromise may be reached at a proposed meeting of the leaders of the four political parties, expected late February.

The activities of the parliamentary panels investigating Chon administration irregularities will end with planned legislation of a special law to compensate the Kwangju incident victims during an extraordinary parliamentary sitting next month, the floor-leader said.

Opposition on Indirect Testimony by Ex-Presidents
SK2901034889 Seoul THE KOREA TIMES in English
29 Jan 89 p 2

[Text] The opposition is cautiously considering sending a delegation of special Assembly committees to ex-presidents Choe Kyu-ha and Chon Tu-hwan, now in domestic exile, to hear testimony from them on the two key issues instead of asking for their appearance before the Assembly hearings.

The indirect testimony by the former heads of state was initially suggested by Kim Chong-pil, president of the moderate opposition New Democratic Republican Party.

The Party for Peace and Democracy and the Reunification Democratic Party, led by Kim Tae-chung and Kim Yong-sam respectively, were learned to be stepping back from their earlier strong opposition to the indirect testimony, showing a flexible stance on the suggestion.

PPD president Kim Tae-chung hinted in a New Year press conference yesterday that the three opposition parties may discuss "some other ways" to hear testimony from the two former heads of state than the direct testimony on the floor of the National Assembly.

Kim said, "Ex-presidents Chon Tu-hwan and Choe Kyu-ha should voluntarily come out and testify on their role during the Kwangju uprising and Fifth Republic misdeeds to meet their duties commensurate with the privileges they enjoy as the former heads of state.

"However, if they stubbornly refuse, the opposition parties may seek other means," said the PPD president. But he refused to elaborate on the ways.

Informed party sources said that the RDP also expressed an intention to comply with the indirect testimony through behind-the-scenes negotiations with the governing Democratic Justice Party.

Due to the refusal of the two former presidents to appear at the special Assembly panels, their activities have come to a stalemate.

Opposition Leaders in Political Initiative
SK2701090389 Seoul TONG-A ILBO in Korean
26 Jan 89 p 2

[Editorial: "Cooperation Among the Opposition Parties and Hard-line Offensive—President No Is Urged To Be More Active in Dealing With the Situation"]

[Text] At their meeting held on 24 January, leaders of the three opposition parties renewed their will to keep cooperating with each other and then pointed out ways of taking the lead in political development.

At the meeting of the opposition leaders held on 24 January, the first in 4 months, PPD President Kim Tae-chung, RDP President Kim Yong-sam, and NDRP President Kim Chong-pil rejected the notion of the opposition parties being divisive. In the press statement at the end of their meeting, the leaders of the opposition parties said that they had reaffirmed the need for continued unity and cooperation among the opposition parties to achieve political stability, embody democratization, and provide strong checks and balances upon the government.

Based on such cooperative relations, the three opposition leaders presented ways of dealing with such pending issues as the ending of the special parliamentary committee activity, the mid-term appraisal of the president's performance, North-South relations and the northward policy, revision and abolition of evil laws, legislation of laws directly related to the people's livelihood, the autonomous government system, social stability, protection of the people's means of earning bread, and labor strife. In particular, the three leaders demanded the testimony of former Presidents Choe Kyu-ha and Chon

Tu-hwan at the special parliamentary committee hearings and the appointment of a special prosecutor to bring an end to the activity of the special committees. They then urged the government to bring legal action against six figures accused of having played leading roles in the Kwangju movement for democratization and in the irregularities committed under the Fifth Republic.

In view of the political weight the three Kims carry, their act of mentioning the six persons by name and of demanding punishment for them can be criticized as being too rash. Nevertheless, those in the government and ruling party should bear in mind the fact that people who denounce the prosecutor's office for being confined to investigating only personal abuse of power or personal wrongdoings tend to accept what the three Kims said at their recent meeting.

The three Kims also brought out into the open the autonomous government system and mid-term appraisal of the president's performance as pending political issues along with the end of the special parliamentary committee activity. Despite different opinions regarding the mid-term appraisal, the three Kims made it clear that they intend to link the mid-term appraisal—although President No was less than candid about it in his New Year's press interview—with a vote of confidence, leaving the designation of the date as the only choice for the government and ruling party to make. This seems to have proceeded from the opposition parties' strategy of a hard-line offensive against the government and ruling party.

As for the autonomous government system, the DJP has repeatedly insisted on delaying the election of heads of local autonomous governments until after the local assemblies take firm root and recently it has set out to promote its ideas concerning this even in newspaper advertisements. In spite of this, the three Kims agreed that the election of heads of local autonomous governments should take precedence over everything. The three Kims' strong determination concerning the hard-line offensive is unquestionably clear in this as well.

We are convinced that the three Kims' strategy as such will inevitably make the government and ruling party angry and it will in turn paralyze the political situation in the end. However, the government and ruling party should have enough courage and resourcefulness to absorb the hard-line offensive of the opposition parties in order to translate the liquidation of the dark legacy of the Fifth Republic into a bright democratized Sixth Republic.

We also pay keen attention to the fact of the three Kims' opinion that exchanges between the North and South should be conducted under the supervision and cooperation of the government. This notwithstanding, the three Kims, who are well aware of the doctrinaire one-man system in North Korea, should have realized that they

bear no less responsibility than the government when it comes to the promotion of North-South exchanges and the defense of the liberal democratic system.

It is time for the government and ruling party to respond rapidly to the methods proposed by the three opposition leaders for dealing with the political situation in 1989 with concrete ways of their own. With the conviction that it would have been more appropriate if President No had presented his ways of dealing with the pending political issues and the opposition parties had responded with their own ideas, we call on the government and ruling party to be more active in dealing with the situation.

DJP Seeks Confidence Vote for Interim Appraisal
SK2601032089 Seoul YONHAP in English
0302 GMT 26 Jan 89

[Text] Seoul, Jan 26 (YONHAP)—The government and the ruling party are considering an interim appraisal of President No Tae-u through a confidence vote on whether he has kept his promise to eradicate negative legacies of the past republic if the ruling camp fails to reach a compromise with the opposition on resolving the issue, a ruling party source said Thursday.

Before conducting the interim evaluation, the ruling Democratic Justice Party (DJP) will consider unilaterally declaring the completion of parliamentary probes into the past republic's misdeeds, the source said.

Such ideas, which seemingly come as a response to the opposition's hard-line stance on major political issues, were recommended to the president at a meeting of the DJP leadership presided over by No on Wednesday, the source said.

"We will negotiate the completion of the National Assembly special panels' probe activities within February. If we fail to reach a compromise on concluding the assembly investigative activities, we have no choice but to declare an end to the panel activities," he said.

The source also said the ruling camp will opt for a confidence vote through a national referendum on whether No has successfully carried out democratization and liquidated the negative vestiges of the government of disgraced former President Chon Tu-hwan.

Prior to the interim evaluation, the No government will disclose in a white paper the outcome of probes into wrongdoing and irregularities during Chon's Fifth Republic, the sources said, adding that the paper will be based on the prosecution's investigations.

The government and the DJP will make a final decision on the timing, format and method of the interim assessment in early March, at the latest, the source said.

As for the opposition's demand for punishment of Chon confidants, the ruling camp will not accommodate such a request, the source said.

Leaders of the three opposition parties urged the No Government that six leading figures of the Chon government be brought to justice as a way of liquidating negative legacies of the Chon Government.

The three opposition parties hold a combined majority of National Assembly seats, enabling them to take the initiative on political issues.

Among the six listed by the opposition was Rep. Chong Ho-yong, then commander of special warfare forces which have been criticized for their alleged brutal suppression of the 1980 Kwangju civil uprising.

The ruling camp strongly opposes punishment of Chong, former army chief of staff and defense minister who is considered the leader of the DJP's largest faction—the "T-K division"—a powerful group of politicians from No's home province.

*** Speculation on Upcoming Military Changes**

41070046 Seoul ILYO SINMUN in Korean
18 Dec 88 p 5

[Article by Ku Pon-hak]

[Text] The Ministry of National Defense (MND) is expected to reshuffle high ranking military leaders, following the recent action of lowering the rank of commander of the Defense Security Command (DSC) from lieutenant general to major general and abruptly replacing the commander. The people's concern over the change in military leaders is increasing. Although the imminent reshuffle is considered to be part of the regular personnel change scheduled for December, people concerned see it as having a significant meaning, both in and out of military circles. It gives an outward impression that a new order is being established according to the changing times, and a new system is being internally established suited to the Sixth Republic, by abandoning the personnel changes made by former President Chon right before his retirement. There are some reasons why Chon's personnel changes in December 1987 were interpreted as an unfair ones. The main reason was the promotion of the three generals; Choe Pyong-uk, Ko Myong-sung, and Kim Chin-yong who is known to be the frontrunner in the Korea Military Academy's (KMA) 17th class. Choe was promoted to lieutenant general in June 1987 and nominated a corps commander; and after only 6 months he was nominated as commander of the DSC, which is known to be one of the military's most important positions. Ko, the DSC incumbent, was nominated a corps commander in the field army; and Kim, the principal of one of the military academies, was nominated commander of the Capital Defense Command (CDC). The whole nation speculated over the

"political significance" of these nominations. The political circles' interpretation was that Chon's move was motivated by the intention to influence the politics of President No. Against such a background, right from the start of the Sixth Republic, political circles constantly urged a reshuffling of high ranking military personnel. Even the regular personnel changes like the retirement of Pak Hui-to, chief of the General Staff, last June and the new nomination of Yi Chong-ku, a corps commander, as chief, were interpreted from such a perspective. Therefore, the forthcoming regular personnel change in December is strongly expected to be aimed at establishing President No's power base. Whether or not such an expectation is correct will be revealed in the personnel changes in the division level commanders.

The regular personnel changes in the Korean military are conducted twice a year; one in June and the other in December. Between the two, the December change is on a larger scale including the promotion of general's.

In light of the fact that the forthcoming December change is the first one since the start of the Sixth Republic, it is getting a lot of attention from both inside and outside the military. It is expected, however, that the results will be very different from those of the Fifth Republic which used the military as an authoritarian means of control.

Smaller-Scale Change Expected

It is true that during the Fifth Republic the power group including the Chongwadae and DSC, directly and indirectly, exercised so much influence that they distorted even the basic order of the organization to a great extent. As a high-ranking general at the Army headquarters said, the military suffered great damage during the Fifth Republic and its aftermath still lingers on.

In the Sixth Republic, there already was a large-scale reshuffling last June that changed the chief and the deputy chief of the General Staff, special warfare commander, two corps commanders, and 11 division commanders. It is known that President No, unlike his predecessor, showed an attitude of not exercising his influence but relying on the decision of the defense minister and the chief of the general staff.

The results are, however, that the two generals who are close to No were nominated as deputy chief of the General Staff and as special warfare commander, and four generals who are the frontrunners of the KMA 20th class and are known to have direct and indirect connections with No were nominated commanders of the divisions surrounding the capital. Furthermore, Lieutenant Generals Yi and Song, who were nominated as corps commanders of the western front are known to have secured a safe base in the Army because of their relationships with No when they were regimental commanders under No at time he was the 9th Division commander.

It is known that President No ordered that the personnel changes be considered objectively and without outside influence. Most of the military people point out that under the current power structure there are no channels through which certain power groups can strongly influence the military.

The function and role of the once powerful Chongwadae Guard Office and the DSC have already been diminished substantially. Last week, Major General Cho, KMA 18th class, replaced the incumbent DSC commander, Lt Gen Choe Pyong-uk. Although the abrupt change of the DSC commander is a part of the reduction effort of the DSC organization, including the closing of its intelligence office and lowering of the commander's rank, the previous assignments of the new commander rate attention.

The new commander, Cho, has been a pure field commander. His previous experience includes airborne brigade commander, SUKI [Capital Mechanized Infantry Division] division commander and the army's operation chief of staff. Military insiders believe that the nomination of Cho as commander is intended to change the DSC's characteristics that have been distorted. Cho is well known in the military as a man of integrity who speaks up for what is right.

Following the change of the DSC commander, the change of the remaining generals, including the commanders of corps and divisions, will be revealed around the 20th of this month.

Prior to the current reshuffling, the new Defense Minister Yi Sang-hun declared his position that it is desirable for the stability of the military organization and for the development of military power to let the key military leaders fulfill their terms, unless there are compelling reasons not to allow this. Therefore, the forthcoming personnel changes are expected to be on a smaller scale than those of past years. The terms of the key military generals including the commanders of divisions and corps and the commanders in chief are 2 years.

Most of Them Are Expected To Finish 2-Year Term

There are six four-star generals in the Army, but none of their 2-year terms expire by the end of this year. The possibility of one or two of them being included in the forthcoming change, however, cannot be ruled out. It is known that four-star General Ko, who was nominated as commander in chief last year, is in a delicate position because of his career as DSC commander in the Fifth Republic, although his term expires in 1 year. Another four-star general, Chong, who is the only non-KMA commander in chief among all the commanders of corps and chiefs of staff, is expected some day to become chairman of the Chiefs of Staff or deputy chairman of the Joint Chiefs of Staff, considering the balanced distribution of positions by background.

If there is a change in the commander in chief position, it is almost certain that the current Army deputy chief of the General Staff, who is KMA 15th class, will be nominated. As of now there may be no change in commanders of the corps since nobody's term expires in December. However, there is a slight possibility that minor changes may occur including Song, commander of a newly established corps, whose term expires in only 4 months. Song is a classmate of the Army chief of the General Staff, both members of the KMA 14th class.

In the case of the division commanders, who are considered up-and-coming Army leaders, it looks certain that six who have finished their 2-year terms will be replaced. Out of the KMA graduates, the commanders of the Army divisions are from the 18th, 19th and 20th classes. Thirteen of them are from the 19th class.

Among the commanders of the Army corps, six of them are from the KMA 16th class. Thus, one from the 16th class, and the remainder from the 17th class and later may be nominated. Traditionally, from division commanders on down the nominations have been made by the Army chief of the General Staff and the defense minister; and nominations of corps commanders and higher have been made reflecting the intentions of the president, the supreme commander of the military. The key positions with promotion opportunities to corps commander are the Army headquarter's General Staff chairmen, the department chairmen of the Ministry of National Defense and of the Joint Chiefs of Staff, the three military academies' principals, and the three military chiefs of staff.

Preferential Treatment of Field Commanders Desired

In predicting the forthcoming military personnel changes in December, and in the analysis of the results, the remarks or opinions of those who are directly involved in the personnel management and who can directly or indirectly influence it have some significance. Recently, the new Defense Minister Yi Sang-hun, who replaced O Cha-pok, said in a press interview that military personnel changes should be made fairly by objectively evaluating individual capacity such as the unit management and training scores, and not by connections.

Minister Yi also said that in the future even though extreme circumstances may come about, such as the whole society turning to the left, or being in danger of communization, the military should intervene to settle the situation only when the people are in agreement, and not by the military's independent judgment. He also urged the necessity of democratization in the military, maintaining his position that even if the military should intervene to settle situations, once they are put under control, they should go back to their original duties.

Such comments by Minister Yi reflects the fact that in the past there have been unfair personnel management in the military and negative views were dominant among

even the core military people concerning military intervention in politics in the Fifth Republic. Since Minister Yi had been the chairman of the association of the KMA 11th class for 5 years until several days before his nomination as defense minister, and served as chairman of the National Emergency Planning Committee, a cabinet level position, for more than 2 years, his comments can be considered to represent the majority of the senior military people.

A substantial number of prominent members in the military have been expressing an opinion similar to that of Minister Yi. One high-ranking general, a member of the committee for evaluation and promotion of generals, who attended the committee's evaluation meeting in early December, disclosed his position that in the future, the field commanding officers should receive preferential treatment in the promotion evaluation. He insisted that the military was greatly damaged by the politically oriented military people who neglected the chain of command and exercised unreasonable influence, even to the extent that they impeded fair military management. In fact, it is known that a couple of them who stayed around the capital area, using their connections, have been dropped in the promotion evaluation as an example.

Isolation of Non-KMA Officers

Although this year's promotion evaluation of the generals was considered to have been conducted more fairly and objectively than in former years, the problem has been pointed out that the imbalance between the KMA and the non-KMA generals has become even more severe. There are 53 promotions of generals this year, among them 40 are KMA graduates, 2 are from the ROTC, and 11 are from elsewhere. There were 59 promotions of generals last year of which 40 were KMA graduates, 4 ROTC graduates, and 15 others. The number of KMA graduates were the same but respectively, there were 2 and 4 more ROTC graduates and others than this year. Although the imbalance in the promotion and position contains an important element of military discord, it did not surface since it was buried in the harsh criticism of the military by the opposition parties and private opposition leaders and students. Almost the entire military, regardless of their background, are raising their angry voices to reject criticism of the military by the civilian society.

The day after the fake photo incident in the National Assembly hearing room related to the Kwangju incident, the Defense Ministry and Army headquarters had difficulty soothing the protests from the frontline military units. One protester was angry that the former defense minister, O Cha-pok, did not properly carry out his role to shield the military.

During the Defense Ministry audit by the National Defense Committee of the National Assembly, and the documents audit by the Legislation and Judiciary Committee, some assemblymen questioned the Defense

Ministry's staff in a rebuking and threatening manner. Some young generals who were watching the scene grinned and said, "This reflects how terrible the politics of the Fifth Republic used to be...." They were surprised at the surfacing of the fact that the one who leaked information on the terrorist incident involving O [former Hyundai company employee] was one of the operation team members on active duty in the DSC. They were also surprised at the fact that the official military documents or activities of key military leaders were leaked.

No More Military Intervention in Politics

Furthermore, in the event of the extension of the military retirement age due to a possible change in the military personnel management regulation, junior officers and some senior officers are supposedly dissatisfied with the reduced opportunity for promotion to one-half or one-third of the current opportunity.

One key military leader stationed near the capital pointed out that, "Since it has historically been the military's call not to intervene in politics but to be faithful in fulfilling their original duties, the political circles, including the ruling and the opposition parties, should not try to use the military any more."

Activists Launch Drive To Recruit Union Members

SK2901012889 Seoul THE KOREA HERALD
in English 29 Jan 89 p 3

[Text] Korean labor activists said Friday they had launched a drive to recruit about 200,000 employees of foreign companies into a new union alliance despite labor laws against such activities.

Sin Ki-yong, chairman of the Federation of Labor Unions of Foreign-Invested Companies in Korea, said the alliance would encourage 200,000 employees of the 1,000 firms in the country to join as individual members.

Cross-company union alliances are illegal under South Korean labor laws.

Analysts said the new federation, which has recruited 18,000 employees from 80 foreign-owned or partly foreign-owned firms since its establishment last month, would pose a challenge to the government and foreign employers.

Sin said that federation leaders would hold a workshop in Seoul on Saturday to choose "reasonable and harmonious" strategies to promote the welfare of members through "collective bargaining, negotiation and action."

South Korean President No Tae-u recently cautioned against strikes by white-collar employees, saying it would set a bad precedent for other workers. Like other active alliance members, Sin works for a foreign bank.

Union leaders from 38 of the 60 foreign bank branches in Seoul belonging to the alliance met Thursday to discuss their joint 1989 labor strategy. They agreed to demand a 19 percent wage hike this March.

Sin, an employee of New York-based Citibank, said foreign banks in South Korea recorded an average 40-50 percent increase in net income last year.

Foreign employers, particularly bankers, are known to be deeply concerned about the possibility of handling negotiating tactics by unions following several bitter confrontations between employees and management last year.

Burma

EEC Protests Alleged Human Rights Violations

BK0202094889 Hong Kong AFP in English 0938 GMT
2 Feb 89

[Text] Rangoon, Feb 2 (AFP)—The 12-nation European Economic Community (EEC) has protested alleged human rights abuses in Burma, in a memorandum delivered to the government here by the French ambassador.

Ambassador Georges Sidre delivered the protest on Tuesday to the head of the Foreign Ministry's Political Affairs Office on behalf of the 12 EEC states.

Mr Sidre also released a statement which said the 12 were "concerned by the continuing and widespread abuse of human rights in Burma."

A military coup September 18 ended two months of peaceful protests nationwide urging a change from one-party rule to democracy. At least 500 people died in an army crackdown after the coup.

Thousands of students, who were prominent in the demonstrations, fled to areas along the border with Thailand to seek support from ethnic rebels to begin armed revolution against Rangoon.

The statement said the EEC members expressed their firm conviction that the Burmese people's clear desire to enjoy the benefits of peace and democracy should be met, but that there had been no significant progress towards this.

It said long-running human rights violations against some minorities had continued.

The memorandum alleged that in support of the Burmese army's counter-insurgency operations the practice of forced portage had caused the death or mutilation of many innocent civilians.

There were also persistent reports of the disappearance of students following their return from the Thai border, it noted.

The memorandum called upon the military authorities in Burma to put an end to these and other illegal practices and to open, without delay, a dialogue with all sections of Burmese society aimed at the restoration of democracy and the organization of free elections at an early date.

It repeated the EEC's readiness to assist "the social and economic recovery of the country under a properly representative government."

More Students, Youths Return From Thailand

BK0102150189 Rangoon Domestic Service in Burmese
1330 GMT 1 Feb 89

[Excerpts] Seventeen students and youths who were at the Tak reception center for Burmese students in Thailand flew back aboard a military aircraft specially sent to bring them back home and arrived at Rangoon airport at 1000 today.

The returning students and youths were welcomed back at the airport by U Tin U, director general of the Health Department and vice chairman of the Burma Red Cross Society; Colonel Aung Thein, director for People's Militia and Public Relations; Col Kyaw Win, director of Medical Corps; Lieutenant Colonel Kett Sein, deputy commander of the Rangoon Military Command; Col Maung Maung, commander of the 502d Air Base; Lt Col Than Tun, deputy director of Defense Services Intelligence; Lt Col Khin Maung, deputy director of Medical Corps Department; members of the Red Cross; and responsible officials.

Students and youths later disembarked from the aircraft, bearing national flags, and proceeded by motorcade to the reception center at the Rangoon Military Command where they were warmly welcomed by Lt Col Sein Htwar, acting tactical operations commander of the Rangoon Military Command; staff officers of the Rangoon Military Command; parents and relatives of the returning students and youths; and dependents of the personnel of the Rangoon Military Command. [passage omitted]

Later, 13 students from Rangoon, 1 youth from Bogale, 1 student from Hmawbi, and 1 student [figures as heard] from Moulmein were handed over to the parents and sent home. [passage omitted]

Changes in Political Parties Announced

BK2901091589 Rangoon Domestic Service in Burmese
1330 GMT 28 Jan 89

["Press Release No 47/89 of the Commission for Holding Democratic Multiparty General Elections of the Union of Burma, dated 28 January —the 7th day of the waning moon of Pyatho, 1350 Burmese era"]

[Text] 1. The following changes to the list of patrons and executive committee members of several political parties registered with this commission are hereby made public for the benefit of the people:

2. This commission has put on record information from the National Democratic Party for Human Rights that U Ne Win of Maungdaw has resigned from the Central Executive Committee.

3. This commission has put on record the notice served by the Arakanese Peace and Human Rights Party that U Kyaw Han, alias Tha Hlaing, has resigned from the Central Executive Committee.

4. This commission has put on record the report from the Burma Reporters Association that U Kyaw Mya Sein has resigned from the Central Executive Committee.

5. This commission has put on record the notification by the United Democratic Youth League that U Ne Win Naing, alias Naing Win Sein, has resigned from the Central Executive Committee.

6. This commission has put on record the notice served by the New Ideology Improvement Party for Social System that Daw Kyu Kyu Thin, writer, has resigned from the Central Executive Committee.

Further Changes Noted

*BK0102142989 Rangoon Domestic Service in Burmese
1330 GMT 1 Feb 89*

["Press Release No 52/89 of the Commission for Holding Democratic Multiparty General Elections, dated 1 February—the 11th day of the waning moon of Pyatho, 1350 Burmese era"]

[Text] 1. The following changes to the list of patrons and executive committee members of several political parties registered with this commission are hereby made public for the benefit of the people:

2. This commission has put on record the information from the Union Karen League that U Saw Tha Doe, member of the Committee of Patrons, has resigned from the party.

3. This commission has put on record the notice served by the Patriotic Democratic Youth Front, Burma, that patrons U Ohn Myint and U Than Nyunt, Vice Chairman U Than Maung, General Secretary U Aye Cho, and Central Executive Committee members U Ohn Kyaing, U Khin Maung Than of Pabedan, U Tin Htut of Mayangon, U Khin Maung Than of Rakhine State, Daw Khin Hnin U, Daw Mu Mu, U Ye Htut, U Kyaw Zaw Lay, and U Tin Htut of Mingala Taungnyunt have all resigned from the party; that U Aung Aye of Pabedan has been dismissed from the Central Committee; and that U Aung Thein was appointed as patron, Secretary U Myint Soe of Bogale was appointed as general secretary, and U Maung Aung, U Thein Tun, U Mya Tun, Daw Htwe Yi, Daw Hla Hla Htwe, and Daw San San Ngwe have all been appointed to the Central Executive Committee.

4. This commission has put on record the report from the People's Justice Party, Burma, that Central Executive Committee members U Aung Kyi and Dr Kyaw Zaw have both resigned from the party.

Mikhin-Bamapyi-Aphwe Registered as Party

*BK0102082089 Rangoon Domestic Service in Burmese
1330 GMT 31 Jan 89*

[Text] The Mikhin-Bamapyi-Aphwe [Mother Burma Organization], which has its headquarters at No 10, upstairs, Sabu Manaing Street, Bo Kan Nyunt Ward,

Thingangyun Township, Rangoon Division, has been permitted registration as of 31 January in accordance with Section 5A of the Political Parties Registration Law. This was announced in Announcement No 191 of the Commission for Holding Democratic Multiparty General Elections.

The has been formed with the following Central Executive Committee:

Chairman: Daw Kyi Kyi, former central executive member of Ba-Ta-La-Sa [Central Peasant Organization];

General Secretary: Daw Tin Tin Win;

Members: Daw Thein Kyi; Daw Khin Aye; Daw Mya Htay; Daw Tin Tin Hla; Daw Thein Tin; Daw A.T. Win May; and Daw Than Shi.

Cambodia

Hun Sen Thailand Visit Assesed as 'Breakthrough'

*BK0202072089 Phnom Penh SPK in French
0400 GMT 2 Feb 89*

[SPK headline: "A Prelude of Friendship"]

[Text] Phnom Penh, 2 February (SPK)—The Cambodian people warmly acclaimed the success of the visit to Thailand from 25 to 27 January by Hun Sen, chairman of the PRK Council of Ministers and foreign minister, seeing in this a decisive step toward mutual understanding between the two neighboring countries as well as between the two groups of countries—Indochina and ASEAN.

The visit, which was the very first move toward relations between the PRK and Thailand, broke the stalemate in the Cambodian problem and paved the way for improvement of relations between Cambodia and Thailand. This is an important contribution to the process of a peaceful settlement of the Cambodian problem in accordance with general tendency in the region and the world which promotes detente, dialogue, friendship, and cooperation.

This prelude, which promptly brought about a plan to establish, in each country, a commission designed to efficiently promote and bolster concluded agreements, constitutes a foundation for bilateral economic cooperation. It is also a de facto cement bridge replacing the former one of bamboo that people could cross only with difficulty. The warm hospitality and all kind of facilities provided to the Cambodian delegation in Bangkok clearly showed the goodwill of the Thai Government.

Through the geographical and cultural similarities between Cambodia and Thailand, the Cambodian people wish to have relations with the Thai people normalized and, if possible, bilateral economic cooperation promoted in accordance with Prime Minister Chatchai Chunhawan's statement about transforming Indochina from a battlefield into a marketplace.

The just-ended visit to Bangkok by the Cambodian Government delegation coincided with intensive diplomatic activity in the region, such as the meeting between the deputy Vietnamese foreign minister and his Chinese counterpart in Beijing; the CPV general secretary's visit to India; and other diplomatic efforts on the Cambodian problem. The visit also provided promising prospects for the peaceful settlement of regional conflicts and of the international aspects of the Cambodian problem that is already ripe for a political solution.

Moreover, the breakthrough achieved by Chairman Hun Sen in Thailand has demonstrated the position of strength of the PRK whose prestige has constantly been elevated with each day and that its reality cannot be ignored. Inspired by goodwill to restore peace in the country as soon as possible, the PRK Government always pursues its efforts in the process of national reconciliation and is ready to accept a negotiated solution based on the Cambodian people's utmost interest and a prevention of the to power of the genocidal Pol Pot clique.

Fourth KUFNCD National Congress Closes

Bou Thang Reads Oath

BK2701073789 Phnom Penh Domestic Service
in Cambodian 0430 GMT 27 Jan 89

[Oath by new KUFNCD National Council members read by Bou Thang, party Central Committee Political Bureau member, Council of Ministers vice chairman, KPRAF General Political Department chairman, and KUFNCD National Council vice chairman, at 27 January closing of Fourth KUFNCD National Congress—recorded]

[Text] On behalf of the new members of the KUFNCD National Council and in my own name, I would like to express profound thanks to all congress members for entrusting us with the noble task of leading the front organization in this new term.

Entrusted with this honor, we pledge to pool all our abilities and efforts, morally and physically, and heighten our sense of patriotism in striving to implement the work targets for the coming years put forth by the front's fourth national congress.

We are firmly convinced that under the clear-sighted leadership of the KPRP, and with the assistance of the PRK Government and active and vigorous participation of the KUFNCD National Council members, front committees at all levels, mass organizations, people throughout the country, overseas compatriots, international organizations, and mass organizations of fraternal and friendly countries, we will certainly achieve splendid success in our work to appropriately contribute to successfully realizing the resolutions, strategic tasks, and three revolutionary goals set forth by the fifth party

congress, and particularly to consolidating and expanding the monolithic bloc of the national unity to serve as the foundation for the PRK's national reconciliation policy. [applause]

List of New National Council Members

BK2801051939 Phnom Penh Domestic Service
in Cambodian 0430 GMT 27 Jan 89

[List of members of various KUFNCD National Council bodies elected at the fourth KUFNCD national congress—read by announcer]

[Text] A. Composition of the National Council of the KUFNCD, fourth term:

- | | |
|-----------------------------|-----------------------|
| 1. Chea Sim | 2. Kang I |
| 3. Kim Sangkum | 4. Koy Buntha |
| 5. Keo Samut | 6. Khoem Cheasaophoan |
| 7. Khieu Kanharit | 8. Kham Len |
| 9. Kham Phanthivong | 10. Kong Sam-ol |
| 11. Kong Bunchhoeun | 12. (Kun Senghong) |
| 13. Khim Sophal | 14. (Khim Din) |
| 15. (Ngoek Thaivisal) | 16. Nguon Phansiphon |
| 17. Chan Ven | 18. Chem Snguon |
| 19. (Chea Cheam) | 20. Ms Chey Kanhnhha |
| 21. Chey Saphon | 22. (Chhon Eam) |
| 23. Chhea Thang | 24. Chhim Seng |
| 25. Ms Chhuk Chhim | 26. Nhek Huon |
| 27. Nhem Heng | 28. Daok Narin |
| 29. Daok Sam-ol | 30. (Toeng Sim) |
| 31. Top Sam | 32. (Tea Bunlong) |
| 33. (Tit Kimphan) | 34. (Tin In) |
| 35. Superior Bonze Tep Vong | 36. Nim Thot |
| 37. Nuch Than | 38. (Boeun Saret) |
| 39. Prach Sun | 40. Bun Sam |
| 41. Bou Thang | 2. Ms Beng Ren |
| 43. Pen Panhnha | 44. Bam Suon |
| 45. Phit Phanu | 46. (Phouk Chhoeun) |
| 47. Ms Pich Son | 48. Ms Peou Lida |
| 49. Prum Kin | 50. Prum Than |
| 51. Mam Heng | 52. Ms Mean Sam-an |
| 53. Meas Yun | 54. Min Khin |
| 55. Mut Saman | 56. Men Chhan |
| 57. Mok Sim | 58. Ms Yim Sunheng |
| 59. (Yen Dun) | 60. Ran Say |
| 61. Ros Chhun | 62. (Li Suon-el) |
| 63. Ms Li Sambat | 64. Lim Thi |
| 65. Vandi Ka-on | 66. Van Sun-heng |
| 67. Say Siphon | 68. Sam Sundoeun |
| 69. Saleh Sen | 70. Sin Sen |
| 71. Srei Saphon | 72. Sim Ka |
| 73. So Han | 74. Suos Sophal |
| 75. Ms Som Kimsuor | 76. (Hun Them) |
| 77. Ms Ho Non | 78. Hu Sri |
| 79. Huoy Ni | 80. Hem Samin |
| 81. Ms Lak On | 82. Long Visalo |
| 83. Leng Khat | 84. Leng Vi |
| 85. (I Chhan) | 86. Im Chhunlim |
| 87. Uk Ti | 88. Un Dara |
| 89. Em Sam-an | |

B. Composition of the 7-man Honorary Presidium:

1. Heng Samrin, chairman
2. Hun Sen, member
3. Mat Ly, member
4. Rung Phlamkesan, member
5. Mi Samedi, member
6. Bonze Um Sum, member
7. Ms Phlek Phirun, member

C. Composition of the 19-man Standing Committee of the KUFNCD National Council:

Chairman:	Chea Sim
Vice Chairmen:	Bou Thang Superior Bonze Tep Vong
Secretary General:	Ros Chhun
Standing Members:	Min Khin Chan Ven Men Chhan Chem Snguon Vandi Ka-on Khieu Kanharit Ms Peou Lida Daok Sam-ol (Chhon Eam) (Chea Cheam) (Tit Kimphan) (Tea Bunlong) Sam Sundoeun Ms Mean Sam-an Say Siphon

Soviet Delegate Addresses Meeting

*BK0102104389 Phnom Penh Domestic Service
in Cambodian 0430 GMT 1 Jan 89*

[Address by Mrs Skalnaya, member of the Union of Soviet Societies of Friendship and Cultural Relations With Foreign Countries and chairman of the Friendship Society of Moldavian SSR, at the Fourth KUFNCD National Congress in Phnom Penh; date not given—in Russian fading into Cambodian translation]

[Text] On behalf of the head of the delegation of the Union of the Soviet Friendship Societies and the Cambodian-Soviet Friendship Association Central Committee and of the millions of people of the peace movement in the Soviet Union, I would like to express sincere thanks for the invitation for my delegation to the congress. I would like also to express fraternal salutations and best wishes to the congress and all the delegations and distinguished guests in the congress.

The Soviet delegation was very impressed after hearing the report of the KUFNCD National Council and all the addresses which have correctly assessed all the achievements scored by the front organization following its third congress. This Fourth Congress has reflected the practical steps toward perfecting the activities of the front and the national reconciliation.

Your congress comes following the successful conclusion of the splendid festival to welcome the 10th anniversary of the PRK's founding. We remember very well that the front congress which was held at the beginning of December 1978 has become a turning point of the Cambodian people's struggle against the Pol Pot regime and a significant factor ensuring successive victories in the cause of the 7 January 1979 revolution. The year 1979 was the year that Cambodia's economic and social fields were revived. The victory of the 7 January 1979 revolution has put an end to the threat of famine and diseases, brought back the rights to the people, and clearly defined the fate of thousands of orphans.

The KUFNCD National Council has played an important role in bringing development and rebirth to the Cambodian nation. The important point is that the work of the front has progressed significantly not only at home but also in the international arena.

We welcome the policies which have brought about new possibilities in the cause of settling the Cambodian problem.

We regard all these policies as a (?part) of the new policy that has been disseminated throughout the world.

Thanks to the (?successive) initiatives of the PRK, SRV, and LPDR, as well as the other peace-loving states, the policy of national reconciliation has reached a stage of genuine settlement. The developments of the past events have brought about dialogue [words indistinct] meeting in Jakarta.

The Soviet Union and Cambodia have cooperated harmoniously in the international arena. [passage indistinct]. That is, the Soviet Union and the PRK are the states in the Asia-Pacific region which pay particular attention to bringing detente to the political situation in this vast and densely populated region. The practical activities carried out by our countries in line with the special characteristics [words indistinct] of each country have caused an impact on the efforts of the peace-loving countries in the region.

We attach great significance to the establishment of long-lasting relations with the KUFNCD National Council.

We are firmly convinced that these relations will further promote the joint efforts of our two countries and peoples in the struggle for peace and prosperity.

On this auspicious day, I would like to extend sincere wishes to the beloved Cambodian cadres, entire Cambodian people, workers, peasants, intellectuals, and combatants of the Armed Forces. May you enjoy new victories in the cause of restoring, defending, and building the Cambodian motherland.

Congress Closes 27 January

BK2701125789 Phnom Penh SPK in French
0450 GMT 27 Jan 89

[Text] Phnom Penh, 27 Jan (SPK)—The Fourth KUFNCD National Congress was concluded this morning in Phnom Penh in the presence of Heng Samrin, general secretary of the KPRP Central Committee and chairman of the Council of State.

The congress adopted the front's amended statutes, appealed to all Cambodians inside the country and abroad, and adopted a final resolution.

In his closing address, Chea Sim, member of the Political Bureau of the party Central Committee and KUFNCD chairman, said:

The congress reaffirmed its determination to maintain forever the special friendship between Cambodia and Vietnam and the Cambodia-Vietnam-Laos militant solidarity, and to tighten the solidarity with socialist countries with the Soviet Union as pillar, and with peace- and justice-loving progressive forces the world over.

Our party and front subscribe to a policy of peace, friendship, cooperation, and nonalignment in relations with other countries, regardless of their socio-political regimes, in conformity with the principles of peaceful coexistence, solidarity with all revolutionary and progressive forces throughout the world, and support for the common struggle of people for peace, national independence, democracy, and social progress against imperialism and old and new colonialism.

Our government and front wish to settle peacefully conflicts with neighboring countries and always praise the recent positive evolution of the tendency for international detente, notably the new development in the relations between Southeast Asian countries.

Concerning the internal policy, Chea Sim said:

"The front is called on to expand the great national unity and rally all patriotic forces, regardless of their political and religious convictions, including people who, although in the enemy ranks, are animated by the love for the motherland, and Cambodian residents abroad. This is in order to build and defend our beloved motherland."

The congress elected a 12-member executive committee with Chea Sim as chairman, Bou Thang and Venerable Bonze Tep Vong as vice chairmen, and Ros Chhun as general secretary.

Challenge banners were awarded to Battambang, Siem Reap-Oddar Meanchey, Takeo, and Preah Vihear Provinces for their achievements in the defense of their localities and in proselytizing misled persons.

Chea Sim Closes Congress

BK2701104989 Phnom Penh Domestic Service
in Cambodian 0430 GMT 27 Jan 89

[Closing speech by KUFNCD National Council Chairman Chea Sim at 27 January Fourth KUFNCD National Congress—recorded]

[Text] The Fourth KUFNCD National Congress has come to a successful end today. This excellent work has shown that all participants in the congress have actively contributed to fulfilling this undertaking with a high sense of responsibility toward the destiny of the nation, in close unity and solidarity, and with joy and pride at the great all-round achievements of the Cambodian revolution. All participants have been ready to carry out all tasks under all circumstances with resolute determination to win more and more brilliant successes for the Cambodian revolution.

Based on the above-mentioned successes and in the flush of brilliant victories won over the past 10 years, the congress adopted an important resolution affirming our policy toward foreign countries, our domestic policies, the foreign policy of the party and the front, the policy of peace, friendship, cooperation, and nonalignment, and the social and political regime based on peaceful coexistence and solidarity with all revolutionary and progressive forces in the world as well as our support for the struggle of the peoples of various countries for peace, independence, sovereignty, and social progress, against imperialism, colonialism, and neocolonialism. Our party, state, and front deeply wish to see that all disputes with neighboring countries be settled peacefully, and always welcome all new developments in strengthening international detente, especially the new changes and developments in the relations among countries in Southeast Asia.

Our domestic policy is a policy of great national union aimed at reconciling and mustering all patriotic forces regardless of their political tendencies or religious beliefs, including the patriots in the enemy's ranks and Cambodian residents abroad.

In this spirit, the congress appeals to Buddhist monks and compatriots living inside and outside the country as well as the patriots in the enemy's ranks to wake up and join hands in defending and building our motherland.

In short, all participants in the congress have thoroughly fulfilled their tasks by closely examining all aspects of the problems. Such a thoroughness of views has brought a most satisfying success to our present congress.

Dear comrades: Our revolution's 10-year victories are of extremely great significance, for not only have we been able to survive, live in peace and freedom, and make progress in all fields with each passing day, but we have also reached a stage in which we are taking charge of all tasks and are independently defending and building our country in accordance with the orientation determined

by our party. Such responsibility constitutes a new requirement of the revolution in the current period, a requirement that our front organization together with the party, Armed Forces, and people must strive to fulfill with success each according to his role.

On behalf of the KUFNCD National Council and of the presidium, I am firmly convinced that all of you who took part in this fourth KUFNCD national congress will achieve brilliant successes for our nation, motherland, and people on the basis of the experience gained from the revolutionary work over the past 10 years and the outcome of the excellently accomplished work at this fourth KUFNCD national congress. [applause]

Originating from this, you will create new changes favorable to the work of persuading the masses and instilling in them great national pride, a sense of mastery, a high determination to take responsibility for the nation's destiny, and a high sense of patriotism and love for the people and the motherland.

I extend best wishes for happiness and constant success to the presidium members, to the ambassadors and foreign delegations present, and to all participants in the congress. I now declare the Fourth KUFNCD National Congress closed. [applause]

Chea Sim Praises Congress Success

*BK2801110189 Phnom Penh Domestic Service
in Cambodian 1300 GMT 27 Jan 89*

[Excerpts] A meeting was organized at the National Olympic Stadium in Phnom Penh on the afternoon of 27 January by the party committee and the Phnom Penh People's Revolutionary Committee, in cooperation with the Phnom Penh municipal front, to mark the success of the Fourth KUFNCD National Congress.

Presiding over the meeting, on the Cambodian side, were Comrade Heng Samrin, general secretary of the party Central Committee, chairman of the Council of State, and chairman of the honorary presidium of the front's national council; Comrade Chea Sim, member of the Political Bureau of the party Central Committee and chairman of both the National Assembly and the KUFNCD National Council; Comrade Say Phuthang, member of Political Bureau of the party Central Committee, vice chairman of the Council of State, and chairman of the party Central Committee's Control Commission; Comrade General Bou Thang, member of the Political Bureau of the party Central Committee, vice chairman of the Council of Ministers, and vice chairman of the front's national council; Comrade Chea Soth, member of the Political Bureau of the party Central Committee and vice chairman of the Council of Ministers; Comrade Mat Ly, member of the Political Bureau of the party Central Committee, vice chairman of the National Assembly, and chairman of the Kampuchean Federation of Trade Unions; Comrade Ney Pena, member of the Political Bureau of the party Central

Committee and chairman of the party Central Committee's Propaganda and Education Commission; and Comrade Nguon Nhel, alternate member of the Political Bureau of the party Central Committee and secretary of the Phnom Penh party committee.

On the international side were, among others, Comrade Phan Anh, first vice chairman of the Vietnam Fatherland Front Central Committee and vice chairman of the SRV National Assembly; Comrade Phoumi Vongvichit, member of the Political Bureau of the LPRP Central Committee, acting chairman of the Council of State, and chairman of the Lao Front for National Construction Central Committee; Comrade Skalnaya, presidium member the Union of Soviet Societies for Friendship and Cultural Relations with Foreign Countries and president of the Friendship Association of the Moldavian SSR; and other delegations from foreign fronts and mass organizations of friendly countries which have come to attend the KUFNCD's fourth congress.

Honoring the occasion were comrades ministers and deputy ministers; leading cadres from party, state, and front institutions and mass organizations; comrades generals of the KPRAF; cadres and combatants of the Defense Ministry; representatives of the clergy and various ethnic groups; representatives of Cambodian residents abroad; and over 10,000 people and pupils in Phnom Penh. Comrade representatives of friendly socialist countries' embassies to Cambodia were also present. [passage omitted]

Comrade Chea Sim then made a speech of the most profound significance. Here is an excerpt of the speech.

[Begin Chea Sim recording] First of all, on behalf of the KUFNCD National Council and in my own name, I would like to express most profound thanks to the party committee, the Phnom Penh People's Revolutionary Committee and front committee, and the people in Phnom Penh city for attending the meeting to mark the success of the Fourth KUFNCD National Congress.

The congress took place in a unified and united atmosphere and was held at a time when our people are celebrating the brilliant success of the 10th anniversary of our 7 January victory day. This is a brilliant result scored by the Fourth KUFNCD National Congress in the past 5 days. For this reason, I would like this meeting to acknowledge that this front congress is really an historic political event for our front and a true reflection of the achievements of the unifying efforts and the leadership of the front council to which all levels of the front and mass organizations, cadres, party members, combatants, and people throughout the country have actively contributed to serve the cause of defending and building our Angkor motherland. It can be said that this is an irreplaceable part of the overall movement in the country when the revolution is advancing into a new historic phase of struggle in which the Cambodian revolution's own forces are striving to expand their self-reliant spirit and activities and to be

masters in assuming themselves the task of defending the motherland and the revolutionary gains and building the new regime under a new form, that of fighting and negotiating at the same time, and at a time when the international situation is favorable to our revolutionary struggle. In sum, the recently concluded congress will become a new impetus among the overall forces and measures of our party and state for the common victory of our revolution. [applause]

Beloved audience: The all-round successes during the past 10 years have created a basic premise for the Cambodian revolution to move into a new phase. In 1988, our own forces have made significant progress in assuming ourselves the task of defending the motherland and the revolutionary gains and building our new regime. These victories have created conditions for a large number of Vietnamese volunteer troops and Vietnamese experts to fulfill their precious proletarian internationalist mission in Cambodia and to safely return home. All the achievements recorded are the result of the common struggle of the entire party, armed forces, and people, including the common forces of all levels of the front, the three mass organizations, intellectuals, the clergy, monastery committees, Muslims, and all ethnic groups who possess a lofty sense of responsibility for the country's destiny and who have united under the banner of great national unity to face and overcome hardship and score fine results for the country and the nation.

The development of our society and nation in the past has made our people throughout the country and compatriots abroad and progressive people the world over happy in supporting our people's rebirth. The PRK's prestige has been constantly heightened in the international arena and it is receiving increasing support from international public opinion.

The preliminary results of our diplomatic and political offensive, based on the position of strength in the country and in accordance with the evolution of the tendency toward reducing confrontation in the world and the development of the move toward peaceful coexistence in the region, have quickly advanced our struggle on the diplomatic front and are favorable for the Cambodian revolution.

Although being dealt successive blows, the enemies have not yet abandoned their strategic maneuver of finding every means to destroy our revolution in the military, political, and diplomatic fields to wage a war to topple the Cambodian revolution. Concerning our struggle with the enemies, our party Central Committee has clearly stated that this struggle will arduously and resolutely go on in order to win a clear-cut victory for the revolution. The congress has correctly set the direction and appropriately responded to the new situation of our revolutionary struggle of fighting and negotiating at the same time.

I would like to take this opportunity to appeal to cadres, party members, combatants, people, the front, and all levels of mass organizations, following the front's fourth national congress, to strive to effect better and more numerous changes quickly and to strive to concretely implement the resolutions of the front's fourth congress. Based on the new conditions inside and outside the country at the beginning of 1989, and to fulfill the persistent aspirations of our people, who want to live in peace and security with prosperity, and to prevent the return of the genocidal Pol Pot regime, the entire party, armed forces, and people should achieve the following tasks:

- Constantly strengthen great national unity and unity among fraternal ethnic groups, which is the most urgent requirement in the current situation. We should love one another and help one another in our daily life, in production, as well as in the defense of localities.
- Expand the spirit of independence and of being the master in assuming responsibility in each department. We should strive to use to the maximum the knowledge and experiences accumulated in the past.
- Pay attention to promoting appropriate national pride based on the nation's tradition of diligence. We should discard the spirit of putting oneself down and lacking confidence in one's own strength.
- Preserve and maintain the nation's culture and traditions. Safeguard the nation's heritage of historic struggle, particularly the evidence of genocide of the Pol Pot-Ieng Sary-Khieu Samphan regime.
- Urge compatriots, who have been forced by the enemies to stay in their ranks, to rise up, struggle, free themselves, and return to their families and the nation. Along with this, we should promote the proselytizing movement more vigorously than before while the enemy's internal situation is rife with serious conflicts.
- Strengthen solidarity and friendship with the Soviet Union and fraternal socialist countries, particularly the Cambodia-Vietnam-Laos militant alliance, and consider this relation of solidarity the revolution's firm bastion. We should join with people who are struggling for world peace and justice to analyze the struggle against the imperialists' war-mongering policy and arms race and against reactionary forces for peace, stability, international security, and mankind's noble civilization.
- Always nurture anger against the genocidal Pol Pot-Ieng Sary clique and its close associates and foreign reactionary forces, which are nurturing and assisting them. Along with this, we should launch a propaganda campaign to expose and denounce past and current barbarous crimes of the genocidal Pol Pot-Ieng Sary-Khieu Samphan regime through various forms aimed at rekindling the anger and suffering and

at discarding the pacifist sentiment of living in reclusion and forgetting all the anger and suffering during the genocide. We should dare to resolutely oppose the return of the Pol Pot murderous clique. Transform the anger against the genocidal Pol Pot regime into activities to fight, defend, and build the motherland and to absolutely prevent the resurgence of this regime. We should strive to implement well the three key tasks set by the party Central Committee's sixth plenum, namely:

- Genuinely build and strengthen localities in every situation and circumstance;
- Build the armed forces into firm and strong forces and ensure both their quantity and quality. They should possess capability and competence and high degree of revolutionary civility worthy of being the most loyal children of the people.
- Vigorously promote political, ideological, and revolutionary education among cadres, people, and the masses and among the armed forces. Promote the spirit of being the masters and that of solidarity from top to bottom. We should promote the party's lines. Constantly carry out propaganda on the three revolutionary movements. In other words, crush the enemies inside the country and along the border. We should promote production and the building of real revolutionary armed forces.

With or without a political solution through negotiations, the PRK should be ready to be the master in moving forward to ensure complete security and social security. [applause]

Editorial Hall's Congress Work

BK2901162189 Phnom Penh Domestic Service
in Cambodian 2300 GMT 28 Jan 89

[PRACHEACHON editorial: "Pledging To Successfully Implement the Resolutions of the Fourth KUFNCD National Congress"]

[Text] The Fourth KUFNCD National Congress, which was actively conducted from 25 to 27 January, has successfully concluded its work. All the members of the congress, with their high senses of responsibility toward the motherland, were energetically involved in the debate and unanimously endorsed the KUFNCD National Council political report, rationally reassessing the results and activities implemented by the front since the third congress. The congress noted that the KUFNCD has enhanced the expansion of the front's glorious revolution and has preserved its value in the people's conscience, stimulating them to perpetuate the tradition of the tireless and active revolutionary struggle within the framework of the sacred cause of unity for national construction and defense, to abide by the patriotic spirit principle; heightening the interest of the people and the worker-farmer alliance; and broadening the unity among the entire people.

The congress concurred with the planned objectives and tasks to be implemented in the next 5 years. The planning has prescribed the actual and concrete assignments to extensively gather all forces in society with the aim of holding aloft the great national unity banner, promoting the cause of national defense and construction toward constant prosperity. It also agreed on the report concerning the amendment of the front statute, which has a solid base for the expansion and consolidation of the front organization, aimed at boosting the great national unity in line with the new tendency and the party, state, front, and people's present and future strategic wishes. The congress was extremely proud of the care provided by the party and state revolutionary authorities, favoring the strengthening and developing of the front networks from central to local levels throughout the country.

The congress was honored by the presence of Comrade General Secretary Heng Samrin who clarified the revolutionary situation in this new historic stage, in which the Cambodian revolution's strength should be capable of assuming all revolutionary tasks. He stressed the current important duties that should be successfully implemented by the front at all levels.

The congress warmly welcomed the delegates from the VFF Central Committee, the Lao Front for National Construction Central Committee, the Soviet Union and other fraternal socialist countries, as well as the overseas Cambodian compatriots who honored the meeting with their presence and made speeches with friendly and fraternal revolutionary sentiment, sharing their remarkable experiences with the congress.

The congress expressed its support for the new progress in the process of normalizing Soviet-Chinese, Sino-Indian, and Indochinese-ASEAN relations, in which new changes have been brought to light favoring Thai-Indochinese relations, which, in turn, have had positive effect on the search for an equitable and rational settlement of the Cambodian problem—promoting the establishment of a Southeast Asia of peace, friendship, stability, and cooperation.

The congress paid high esteem for the 10 years of multifaceted successes that have been the base of our revolution's growth in this new historic stage.

In 1988, the Cambodian revolutionary strength vigorously surged ahead, capable of accepting the task of defending the motherland and revolutionary gains and building the new regime with self-competency. This strength favored the seventh repatriation of Vietnamese Army volunteers—50,000, including the Vietnamese field supreme command and experts—following the successful accomplishment of their valuable internationalist proletarian mission on Cambodian soil. The remaining Vietnamese troops will be completely withdrawn from Cambodia by September this year if an equitable political solution to the Cambodian problem is concluded.

This is the evidence of the PRK's position of strength and victory and also its preeminence in becoming master of the situation at the border and in the interior of the country.

Moreover, in the diplomatic field, we have attentively and actively promoted the implementation of the national reconciliation policy, which to the date has scored great and praiseworthy successes. The three rounds of talks in France between Comrade Council of Ministers Chairman Hun Sen and Samdech Sihanouk and the previous Jakarta informal meeting have been acclaimed by international and national public opinion. The seven-point proposal put forth by Comrade Chairman Hun Sen has been also been positively valued and considered an expression of the PRK's goodwill toward genuinely settling the Cambodian problem by political means. This has heightened the PRK image in the international arena.

For their part, the enemies of the revolution are gradually declining and losing their self-competency. The tripartite alliance of the Cambodian reactionary groups is shaking. The international and national public opinion have zealously exposed and condemned the genocidal Pol Pot clique and vehemently demanded the prevention of its attempt of regaining power in Cambodia.

This clearly shows that the enemies are in a position of bitter failure moving toward a complete collapse. Nevertheless, although facing a fiasco, they still obstinately stick to their strategic tactics of perpetuating the war with the aim of toppling us.

In this new historic stage, the Cambodian revolution should have sufficient strength to fully assume the complex revolutionary tasks. At all times, it is imperative that all male and female members of the front continue to heighten their sense of responsibility to crush the enemies' perfidious and malicious maneuvers in order to enhance our strong and winning revolutionary position, becoming self-sufficient and self-competent in the tasks of defending and building the country with success in accordance with the objectives defined by the Fourth KUFNCD National Congress.

Our primary task is to consolidate the worker-farmer alliance, which is regarded as the strategic goal of our revolution and a cornerstone of the KUFNCD in the new historic stage of building a Cambodia with perpetual might. We should constantly strive to promote and reinforce the great national unity among all people, including the Cambodian compatriots living abroad, in order to gather broader concerted strength aimed at serving the cause of national defense and construction. We should stir up the masses and people to be aware of their rights as the masters of the country and let them know how to use their rights properly, contributing to establishing the party's leading role, thus rendering

firmer the authorities and the law of the state by resolutely grasping the slogan: The party leads, the state governs, and the people rule.

Special attention should be paid to the battlefront policy by educating people of all strata to cooperate in the national defense task, in particular volunteer youths, militiamen, and people's policemen, to effectively assume the task of defending the homeland. The rear policy of supporting the Army and the families of wounded, disabled, and fallen combatants, and of combatants on missions should also be fruitfully carried out. At present, efforts should be made to firmly organize their own networks with proper quality, capable of efficiently carrying out the propaganda and education work of masses and people—especially those living in localities—informing them on the situation and the revolutionary tasks in this new stage and making them feel confident of the party leadership, the army, and of their own strength. They should always be ready to engage in resolute struggle against enemies, especially against the genocidal Pol Pot clique, contributing to the national defense and construction.

Propaganda and education on international socialism should be regularly conducted in order to improve the relations of international solidarity with the Soviet Union and other fraternal socialist countries. The special Cambodian-Vietnamese-Lao solidarity and the solidarity with progressive international organizations throughout the world should be consolidated as well. We should continue to urge popular participation in fighting and uprooting infiltrating enemy elements and in activating proselytizing movements to further consolidate and expand our strong and winning position with coherent strength, joint plans, and concerted approaches on battlefields at the border and inside the country. We must firmly defend the national independence, state revolutionary authority, revolutionary gains, and the people at all times. The movement to build versatile revolutionary forces and localities should be encouraged in order to actively stimulate production works contributing to boosting the four economic spearheads. The quality of health education should also be enhanced with the aim of raising the workers' standard of living.

The permanent tasks mentioned above will lay the groundwork for successful implementation of the resolutions adopted by the Fourth KUFNCD National Congress.

Soviet, Afghan Front Delegations Leave

BK0202064989 Phnom Penh Domestic Service
in Cambodian 0430 GMT 2 Feb 89

[Text] On the morning of 1 February, at 1030, the front delegation from the USSR, led by Comrade Skalnaya Ludmila, chairman of the Presidium of the Union of Soviet Societies for Friendship and Cultural Relations with Foreign Countries; and the delegation from the

Republic of Afghanistan led by Comrade (Jiji Khan), vice chairman of the Afghan Front, left for home after attending the Fourth KUFNCD Congress.

Seeing the delegations off at Pochentong Airport were, among others, Comrade Chea Soth, member of the party Central Committee and chairman of the party Central Committee's Foreign Relations; Comrade Ros Chhun, alternate member of the party Central Committee and general secretary of the KUFNCD National Council; and many other front cadres and personnel. Comrade Tursunov, first secretary of the USSR Embassy to Cambodia, was also present.

Villagers Executed for Revealing Vietnamese
BK0202025989 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 1 Feb 89

[Excerpt] According to a report from our National Forces conducting operations in Chhuk District, Southwest battlefield, on 17 January, Vietnamese enemy aggressors told villagers gathered at the office of Chhuk District [Kampot Province] that if any stranger or reporter asked they must say that there are no Vietnamese in the area. Anyone found to have told the truth will be summarily executed.

Then on 19 January, a group of foreign newsmen traveling to Chhuk District in a helicopter secretly asked people in Trapeang Rong village, Rong Veng commune about the whereabouts of Vietnamese troops. The villagers told them there were 600 Vietnamese soldiers hiding in the forest bordering the village. Later, Vietnamese enemies encircled the village, then executed seven residents and detained several others. [passage omitted]

VODK Says Hun Sen on End of Vietnamese Leash
BK0202041389 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 1 Feb 89

[Station commentary: "A Solution to the Cambodian Problem Totally Depends on Vietnam, Not on the Puppet"]

[Text] We wonder why the Vietnamese puppet diametrically rejected the flexible and equitable five-point peace plan proposed by Samdech Norodom Sihanouk.

In his letter dated 26 January to LE MONDE newspaper's reporter, the samdech clearly indicated that the gestures of the puppet, Hun Sen, in recent days were made according to his Hanoi masters' orders. The samdech's view is fully correct. The attitude of the puppet is truly that of its Vietnamese masters because actually, it has neither right, power, nor initiative. Whatever the puppet does in conformity with the Hanoi authorities' orders. It reacts to the Vietnamese leash because it has no nationalist or patriotic sense. That being the case, a solution to the Cambodian problem depends entirely on Vietnam, not on the puppet.

If Vietnam wants to resolve the problem it can do so completely and immediately by genuinely and unconditionally withdrawing all its aggressor troops from Cambodia, including the hidden and disguised military forces and the civilian people, under strict and effective international control and supervision, thus terminating the war and restoring peace and security in Cambodia. Conversely, if Vietnam intends neither to settle the Cambodian problem nor to pull its troops out of Cambodia, the Hanoi authorities will continue to order their puppet, Hun Sen, to dismiss Samdech Norodom Sihanouk's rational five-point peace plan by raising this or that condition aimed at preventing achievement of an agreement. By so doing, they can maintain their occupation forces to implement the Vietnamization policy of totally annexing Cambodia, according to the wishes of the late Ho Chi Minh.

Therefore, a rational, quick, and permanent political solution to the Cambodian problem can only be achieved, as mentioned in Samdech Norodom Sihanouk's 1 January note, with the tripartite CGDK's joint, continued, and vigorous struggle on the battlefield and by continued pressure from the international community, especially the United Nations, on the Vietnamese, causing them to suffer more serious difficulties until they are forced to reluctantly accept a genuine political solution to Cambodian problem within the framework of the five-point peace plan initiated by Samdech Norodom Sihanouk.

Indonesia

Alatas Confirms Convening of JIM 2
BK0202074889 Jakarta Domestic Service in Indonesian 0700 GMT 2 Feb 89

[Text] Foreign Minister Ali Alatas has reaffirmed that the second Jakarta informal meeting [JIM 2], which scheduled to be held in Jakarta from 19 to 21 February, will be similar to the JIM 1. Speaking at a news conference in Jakarta this afternoon, Foreign Minister Ali Alatas said that the JIM 2 would comprise two informal talks, the first one being talks between the four Cambodian factions and the second one involving ASEAN, Laos, and Vietnam. He said that the informal meeting would be preceded by a meeting of director general-level senior officials of all the participating parties.

On various statements issued prior to the JIM 2, Ali Alatas regarded them as normal and said that Indonesia should not be involved.

[Begin Alatas recording] Before the JIM 2 is held, there will be statements from various parties regarding their respective positions or the positions of other parties. It is normal. This will continue, and Indonesia as the host and convener [preceding word in English] will not get involved in this matter. Indonesia as the initiator and convener will not (?get involved in the matter but will continue) to make preparations for the JIM 2 with the hopes that differences will be ironed out during the JIM 2. [end recording]

Ali Alatas also expressed his confidence that all parties would attend the JIM 2. His confidence was based on Son Sann's statement following the latter's meeting with Thai Prime Minister Chatchai Chunhawan in Bangkok that the three factions of the Cambodian coalition would be present although Khieu Samphan has yet to officially announce to be present in Jakarta. In line with the JIM process, Indonesia welcomes every development that reflects the desire of superpowers to support the settlement of the Cambodian issue.

Confirms Asean Ministers To Attend

*BK0202110289 Jakarta ANTARA in English
1040 GMT 2 Feb 89*

[Text] Jakarta, Feb 2 (OANA/ANTARA)—All ASEAN foreign ministers have confirmed that they would attend the second Jakarta informal meeting (JIM-II) scheduled to take place here from February 19 to 21, Foreign Minister Ali Alatas stated here Thursday.

Speaking to newsmen at the Foreign Office, the minister said the confirmation was received when he attended as ASEAN foreign ministers meeting in Brunei Darussalam last January 21.

Two ASEAN foreign ministers, Sitthi Sawetsila from Thailand and Raul Manglapus from the Philippines, didn't attend the first JIM, taking place in Bogor, some 60 km south of here.

Meanwhile, Vietnamese Foreign Minister Nguyen Co Thach has expressed his willingness to attend the Jakarta meeting, even he also hoped that the meeting would be taking place successfully.

However, there is no word so far from the Laotian Foreign Minister. In the JIM-I, Laos was represented by the secretary to the Laotian Foreign Minister.

Minister Alatas also said that the four Kampuchean factions would certainly come to the meeting, as Son Sann in Bangkok last Monday stated that three factions grouping in the Coalition Government of Democratic Kampuchea (CGDK) would attend the Jakarta meeting.

Iranian Minister Delivers Khamene'i Note

*BK0102100589 Jakarta ANTARA in English
0916 GMT 1 Feb 89*

[Text] Jakarta, February 1 (OANA-ANTARA)—President Suharto on Wednesday received a courtesy call from the Iranian deputy foreign minister for the Asian Pacific region, Javad Mansuri.

Javad Mansuri delivered a written message from Iranian President 'Ali Khamene'i on enhancement of bilateral relations.

In his statement to the press after his meeting with the Indonesian head of state at Bina Graha, Javad Mansuri said that at the meeting he and President Suharto discussed various regional as well as international problems, besides the relations between Indonesia and Iran in the economic and technical fields.

According to Javad Mansuri, the Iranian president hopes for continuation of future cooperation between the two countries on bilateral, regional and international scope.

Governor Says 200 East Timor Guerrillas Active

*BK0202014789 Jakarta KOMPAS in Indonesian
28 Jan 89 pp 1,8*

[Excerpts] Dili, KOMPAS—About 200 armed men calling themselves Fretilin [Revolutionary Front for an Independent East Timor] are still operating in several areas in East Timor Province. This was disclosed to newsmen by East Timor Governor Mario Viegas Carascalao at a parachuting demonstration program at the Alo Airbase in Dili, East Timor.

Carascalao said there are certain areas which require a security presence and supervision. "However, I never exactly know their number", he added. With the upgrading of the province's status, East Timor is now considered to be equal to other Indonesian provinces and people are no longer required to obtain a permit to visit the province. [passage omitted]

Carascalao said that with the new status acquired, his office personnel have to work hard to bring progress to the province, the population of which increased by 5 percent in 1988. In 1987, the total population was 649,673 and in 1988, it was 687,465 persons, who occupy an area of 14,609 square km. [passage omitted]

Laos

Phoumi Vongvichit on Religion, Social Life

*BK0102152789 Vientiane KPL in English
0900 GMT 1 Feb 89*

[Text] Vientiane, 1 Feb (KPL)—Phoumi Vongvichit, Political Bureau member of the LPRP [Lao People's Revolutionary Party] Central Committee and acting president of the LPDR [Lao People's Democratic Republic], recently granted an interview to Belgian journalist Denise Van der Perre and French journalist Dr Jean Bouillat. The text of the interview is as follows:

Question: Your general secretary, Mr Kaysone Phomvihhan, said that there are many noncommunists in the country. For whom did these people vote since it looks like there is only one party?

Answer: General Secretary Kaysone Phomvihhan's declaration was correct; there is a large number of noncommunists in Laos. However, during the elections the people voted,

and will continue to vote, for persons loyal to the fatherland and capable of doing their job in the interests of the people, be they members of the LPRP or not.

Question: It seems to us that since 1975, 10 percent of the Lao population have emigrated abroad. How do you view the possible repatriation of these individuals?

Answer: The LPDR Government has always regarded all Lao as citizens of Laos, whether they are inside the country or abroad, except those who have already adopted another nationality. All Lao, as it pleases them, can return to the country at any time with the condition that they be truly sincere in contributing to the reconstruction of their fatherland.

Question: How do you pacify, or unify, the ethnic people?

Answer: There are more than 60 ethnic groups in the LPDR that enjoy equal rights in leading their lives, and that have equal rights for social progress. The Lao Front for National Construction is a national front that rallies all ethnic groups that have equal rights and obligations regarding their education, their training, and their contribution to the reconstruction of the fatherland in their own interests.

Question: Are you afraid that some powerful foreign aid masks a neocolonialism? Is it useful or wise to accept assistance from countries that pursue different ideologies?

Answer: The resolutions of the LPRP and LPDR Government have already stipulated that Laos accepts with delight the assistance and cooperation of socialist countries and all other countries in the world that have the intention of assisting the reconstruction of Laos in conformity with the five principles of peaceful coexistence. We do not believe that nonsocialist countries would use their aid and cooperation for a colonialist or neocolonialist purpose which, already, is an obsolete regime. Any country with such a mentality will experience nothing but defeats, for the Lao people are well aware of the nature of colonialism and neocolonialism. I do not think that those who give us their aid and cooperation still nurture such backward ideas.

Question: Are medical treatments and medicines free of charge?

Answer: All hospitals in Laos take care of their patients without charge and give them medicines purchased from abroad or acquired by socialist countries, some Western countries, and various international organizations. Western medicines and traditional medicines, according to their effectiveness, are both used in treating the sick. Those who are affected with mild illnesses and do not need to be hospitalized, purchase medicines from state-owned or private drugstores at humanitarian-assistance prices.

Question: Is there birth control?

Answer: Laos has a vast territory and a sparse population, and for this reason the Lao Government does not experiment with birth control, except in cases where the mothers are sick or weak. The Lao Government regards the care and education of the children as an important matter, as stipulated in the 1979 UN resolutions, and it is for this reason that the National Commission for the Year of the Children was organized. This commission, receiving assistance from several countries—socialist as well as capitalist—and many international organizations every year, collects clothes, materials, and school equipment for the children. The Lao children, thanks to this assistance, enjoy many facilities in their life and are very grateful to the donors.

Question: Is Buddhism tolerated or encouraged? Is it imperative to have the monk work?

Answer: The LPRP has stipulated that every Lao citizen is free to believe in any religion or not to believe at all. Buddhism is a religion that the majority of the Lao population has adopted and still follows today. Buddhist bonzes have contributed to the struggle for national liberation, and are now contributing to national construction on the road to socialism since this road does not contradict Buddhist philosophy. The bonzes continue to study Buddha's teachings and are in close contact with the Lao people. All forms of charity and benevolence conforming to Buddha's teachings continue to be carried out with the cooperation of the Lao people and foreigners believing in this religion. The Lao bonzes are united in a single organization called the Buddhist Union which is a collective member of the Lao Front for National Construction. This Buddhist Union receives annual subsidies from the Lao Government so that it can serve Buddhist bonzes. Buddhist bonzes are now serving both Buddhism and the nation as follows: They preach and instruct Buddhists to follow the Buddhist code of conduct for unity, justice, and peace. The bonzes contribute to education work by helping to eliminate illiteracy, and upgrading the people's academic knowledge to primary, secondary, and college levels. Besides propagating Buddha's teachings, temple schools—at primary, secondary, college, and teaching school levels—also use the same curriculum as their government counterparts. Bonzes who leave the monkhood may continue their studies in the universities inside the country or abroad so that when they return they can contribute to the reconstruction of their fatherland in different fields. The bonzes have also contributed to the work of public health by using medicinal herbs to cure the population, turning monasteries into hospitals where treatments are free. The bonzes also contribute to economic development by experimenting with the planting of fruit trees around their pagodas, and, if the results are good, by mobilizing and helping the people in the villages to do the same. The bonzes experiment with the control of construction and the maintenance of hospitals, schools, agricultural cooperatives, bridges, roads, and the sanitation of the villages. In general, the bonzes and the Lao people maintain close relations with each other, for the former are children of the village and when they cease their lives as bonzes they again become

simple citizens who collaborate in the reconstruction of the fatherland on the road of socialism. Since the bonzes have served the interests of the people as I have mentioned above, the latter feed and attend to the bonzes and take care of the monasteries and religious monuments. This gives Buddhism its purity which is becoming more brilliant with each passing day, except for the pagodas located in the former zone of resistance that have been destroyed by the bombs of the U.S. imperialists and that have not yet been restored but are well maintained by the bonzes and the people who build these sites necessary for Buddhist religious activities.

Question: Does every Lao have the same opportunity to succeed in a political, administrative, or commercial career?

Answer: The policy of the LPRP and LPDR Government guarantees for all Lao citizens the same right to pursue political, administrative, or commercial professions according to their capabilities as we have already stated on many occasions.

Question: In your country (as in ours), is a well trained and specialized intellectual tempted to pursue personal successes abroad? If so, how do you keep these people in the country for the sake of national progress?

Answer: In our country the intellectuals with great knowledge who are professionally qualified receive positions and salaries commensurate with their capabilities. Of these intellectuals, none have gone abroad, except for those of the former regime who took refuge abroad when the LPDR was founded. Yet, should these intellectuals wish to render some services to the fatherland or wish to return to participate in national reconstruction, the government would welcome it.

Question: Your artistic and cultural heritage is evident. Do you intend to protect it and even to promote it for both the Lao population and its tourism interests (for example the exhibition of Christian Taillard)?

Answer: It is true that the artistic and cultural heritage of our country has a long history and is of great value, and for this reason the Lao Government has decided to safeguard and restore it. It is the products of the skills of the Lao which may eventually be of interest to tourists in Laos.

Question: Are private Lao societies tolerated and encouraged, or are they bound to disappear in the face of cooperatives?

Answer: Since the founding of the LPDR, the Lao Government has set up agricultural and other cooperatives in order to stimulate the development of the Lao economy. This means that the Lao Government has neither banned nor suspended private Lao companies, and all companies serving well their own interests and those of the fatherland will be encouraged by the government.

Question: May foreign private societies—such as real estate promoters, hotels, schools, housing, etc—invest in your country, make profits, and then take those profits, in dollars, out of the country? What is the imposition rate for a Lao society and a foreign society?

Answer: The Lao Government issued Law No 04/PR dated 25 July 1988 clearly authorizing foreigners to invest in Laos independently or with Lao individuals. This law stipulates that investors must receive benefits and have the right to take them, in dollars, out of Laos. It sets the taxes that Lao and foreign companies must pay. For more details, please read the law in question.

Question: Does a Lao individual have the right to own property?

Answer: The law has clearly stipulated that every Lao individual has the right to own anything he builds, and this law is currently under implementation.

Sali Vongkhamso Meets Soviet War Veteran Group
BK0102104589 Vientiane KPL in English
0931 GMT 1 Feb 89

[Text] Vientiane, February 1 (KPL)—Sali Vongkhamso, Politburo member of the LPRP CC [Lao People's Revolutionary Party Central Committee], vice-chairman of the Council of Ministers and minister of economy, planning and finance, received here on January 31 a Soviet war veteran delegation led by the Riga branch committee chairman Nikolay Petrovich Grosev.

Both sides exchanged views relating to more effective bilateral cooperation and assistance in the field of war veteran and social welfare between the two countries.

Philippines

Laurel To Go to Hawaii, Meet Marcos
HK0202081189 Hong Kong AFP in English 0808 GMT
2 Feb 89

[Text] Manila, Feb 2 (AFP)—Philippines Vice-President Salvador Laurel said he was leaving for Hawaii Thursday to act as go-between between the critically ill former President Ferdinand Marcos and President Corazon Aquino.

Mr Laurel, who now leads the right-wing opposition, said he was acting on the "urgent request" of the former ruler, who has long asked to be allowed to return home, and that he had advised Mrs Aquino of his plans.

The 71-year-old Mr Marcos has been in and out of hospital since fleeing to Honolulu at the height of a popular revolt that swept Mrs Aquino and Mr Laurel to power in February 1986.

Mr Laurel broke with Mrs Aquino last year and formed a loose right-wing alliance while remaining as her constitutional heir.

"Early this morning I received a telephone call from Mrs Imelda Marcos urging me to fly to Honolulu on the urgent request of President Marcos," Mr Laurel said in a written statement.

He said that according to Mrs Marcos, her husband had been advised by his doctor "that he hasn't much time left to live and since he cannot directly communicate with Cory (Mrs Aquino), he is asking me to help communicate with Cory and the Filipino people."

(The St. Francis Medical Center in Honolulu said Wednesday Mr Marcos had been moved back to the hospital's intensive care unit and was in critical condition on a respirator.

(Nursing supervisor Cindy Miller said he underwent a tracheotomy early Wednesday after his breathing problems increased as a result of a buildup of fluids in his lungs.

(Mr Marcos has been at the hospital since January 15, when he was admitted for pneumonia and bronchial asthma.)

Mr Laurel said he was taking a flight to Honolulu late Thursday.

Mr Marcos is facing racketeering charges in New York for allegedly stealing 100 million dollars from the Philippines to acquire real estate and artworks, and defrauding U.S. banks to refinance the properties.

The former president, while insisting that he did nothing wrong during his 20-year rule, has repeatedly asked the Aquino government to allow him to return home and die peacefully in his homeland.

Mrs Aquino has said Mr Marcos must return billions of dollars he allegedly stole during his rule and face trial for graft here.

"I have advised President Cory and (Executive Secretary Catalino) Macaraig about this call and my decision to fly to Honolulu this afternoon to hear what President Marcos has to say," Mr Laurel said.

"If what (Mr Marcos) wants to convey to Cory and the nation will heal the wounds that have been fragmenting our people and finally lead to national reconciliation, then something good can come out of this trip."

"As soon as I return, I shall report the outcome of our talk directly to President Aquino," he added.

Mr Laurel formally broke ranks with Mrs Aquino last August, accusing her of incompetence and renegeing on a supposed pre-election agreement for power-sharing.

Mrs Aquino said Thursday that her government was aware Mr Marcos had undergone a tracheotomy.

But she added in a written statement that "his condition is neither critical nor serious although he is back in the ICU (intensive care unit)."

She said that she had ordered Mateo Caparas, chairman of the Presidential Commission on Good Government which is tracking down Mr Marcos' wealth, "to verify if there is any basis to the alleged desire (of Mr Marcos) to talk about a compromise."

Laurel Issues Statement

HK0202102589 Manila Manila Broadcasting Company
DZRH in Tagalog 0950 GMT 2 Feb 89

[Text] Here is Vice President Laurel's statement about his trip to Honolulu to act as a go-between between Marcos and the Aquino government:

[Begin Laurel recording] I believe I should go to Honolulu to listen to what former President Marcos wants to tell me. I don't think anything bad will happen. On the contrary, it might even produce something good for the country.

[Switches to English] I don't think anything bad can come out of this. Something good for the country could possibly come out of this meeting.

[Resumes Tagalog] This is the reason why I have decided to go. So this afternoon, at about 1800 or 1900, I will depart for Honolulu, and I will listen to what former President Marcos wants to say. [end recording]

Aquino Aware of Trip

HK0202122789 Quezon City GMA 7 Radio-Television
Arts Network in Tagalog 1030 GMT 2 Feb 89

[Excerpt] [Passage omitted] Vice President Laurel is due to leave for Hawaii at 1900 tonight.

[Begin Laurel recording in English] In both cases, I think, Secretary Benigno, Teddy Benigno, is wrong because I'm not going there upon authority of the president. He says I'm going there on authority of the president. No, I am going on my own. But by going there on my own, that means the vice president is going there on his own.

Now, he says, this is also representing the opposition. No, I am not going there to represent the opposition. I am going there as myself, and solely for humanitarian reasons in order to respond to an appeal of a dying man I want to hear.

I don't think there's anything wrong listening to what a dying man wants to say. [end recording]

Meanwhile, the president said that she knows what is going on in Honolulu, but refused to give instructions to Laurel.

[Begin Benigno recording in English] Yes. That is correct. He called up the guesthouse. He was able to talk to Executive Secretary Catalino Macaraig. He was asking for instructions, and Macaraig, I think, brought the matter to the president and Macaraig went back to Laurel, and told him that he had...[changes thought] that there were no instructions to give him and that he is entirely on his own. [end recording]

In related news, several senators issued different reactions to Laurel's trip to Hawaii. Senators Juan Ponce Enrile, Neptali Gonzalez, and Aquilino Pimentel favor the return of Marcos, dead or alive.

[Begin recording in English] [Enrile] After all, I don't think Marcos and his family would be thinking of war, or violence, or doing any harm to anybody at this stage considering his present physical condition. And, I think, this may well be the catalyst that would bring the nation together if they would make a decisive act of compassion.

[Gonzalez] If he recovers, and I hope that he recovers, and if he is really sincere about his willingness to return under certain conditions, then the groundwork can be laid down for this serious matter.

[Pimentel] Well, I certainly wish Doy well in his mission. I hope that he gets to Honolulu in time to see Mr Marcos still alive, so that if there are any deals to be made which will be favorable to the Filipino people, I think Doy should be able to assess the situation and give a feedback to the president accordingly.

[Reporter] Personally, would you, just in case the former president dies, would you allow his body to be buried here?

[Pimentel] Oh, certainly. I think he should be allowed to be buried in his own home country. I don't see any reason why he should not. [end recording]

Laurel Aide Discusses Trip

*HK0202102289 Manila Manila Broadcasting Company
DZRH in Tagalog 0915 GMT 2 Feb 89*

[Text] Cesar Chavez of Mobile 9 reports from the house of Vice President Salvador Laurel:

[Begin recording] [Chavez] The vice president is at the moment speaking with several prominent leaders of the Nacionalista Party, that is former assemblyman Homobono Adaza.

The news conference with Mr Laurel has just ended. He must have given some instructions to the Nacionalista Party leaders.

[Anchorman Joe Taruk] Can you please tell us again who will accompany the vice president on his trip to Hawaii this afternoon?

[Chavez] They are retired Major General Cesar Tapia and one of Mr Laurel's secretaries, Baby Herrera. Three of them are going.

[Anchorman] Let us try to get some words from General Tapia. Is the vice president's trip to Hawaii official?

[Tapia in English] Well, what I heard from the vice president this afternoon was that he was going in a very, very private capacity. And so I will not say that he is going officially because I think—by invitation of the former president—he [Marcos] wanted to convey some very important messages to the vice president. He is going there in his private capacity, he said, as an ordinary Filipino.

[Anchorman Taruk] How long will you stay there?

[Tapia] We are not sure. I do not know, for I only spoke with him at 1100 today. I had to rush and get my visa. [switches to English] We really don't know how long we will stay. Hopefully it will be very, very short. [resumes in Tagalog] We could just be there overnight if the vice president finishes his mission. [switches to English] That means if the former president can talk to him, immediately we will head back for this country.

[Anchorman Taruk] General, doesn't this seem like a very hasty departure?

[Tapia in English] I was made to understand that the former first lady called up very early this morning. [switches to Tagalog] She persistently begged Vice President Laurel to go there and speak with former President Marcos. Mr Laurel thinks that there is nothing wrong with just listening to him, for he might die. It would be good to listen to whatever he has to say to our countrymen.

[Anchorman Taruk] Gen Tapia, the people cannot help but speculate why Vice President Laurel chose you to go with him as chief security officer.

[Tapia] There is also a security requirement for our vice president. He chose me because we cannot have a lot of security personnel, and I have experience in coordinating with other agencies. When we get there, I will probably coordinate with security forces in Hawaii—their police forces, or the FBI—for the security of the vice president.

[Anchorman Taruk] Has the Office of the President been informed about the vice president's departure?

[Tapia] I think Mr Laurel spoke with the president and Secretary Macaraig this morning over the phone. He told them that he had received a call from Hawaii and informed them that he had decided to go to Honolulu to listen to Mr Marcos. In fact, I think he was asking the president and Secretary Macaraig if they wanted to relay anything to him.

[Anchorman Taruk] Sir, do you know anything about Mrs Marcos' conversation with Vice President Laurel regarding the former leader's health?

[Tapia] What I heard is that he is very seriously ill and that the doctors opened his throat to allow him to breathe better. [switches to English] I think they will not do that if that is not an indication of a very, very serious illness.

[Anchorman Taruk] Thank you very much, Gen Tapia.

Enrile Seeks To Abrogate Mutual Defense Treaty
HK0202054989 Manila PHILIPPINE DAILY GLOBE
in English 2 Feb 89 pp 1, 8

[Excerpt] Senate minority leader Juan Ponce Enrile said yesterday that he will file a resolution for the abrogation of the RP [Republic of the Philippines]-U.S. Mutual Defense Treaty [MDT].

The MDT, Enrile stressed, was "pressed" on the Philippines by the United States to justify its military presence in the country.

"Why should we perpetuate the MDT which will involve us in a war of the Americans that we may not want to be involved?" Enrile said. "But when it is our war, they do not want to be involved with us."

He said that if there is a problem in the Philippines, the Americans will not come to the rescue. He said the Americans have said so when the Philippines was negotiating for the revision of the Military Bases Agreement (MBA) in Washington, DC in 1976.

The former defense minister explained that after the abrogation of the MDT, the Philippines will be placed in the condition of Cuba where the Americans have their Guantanamo naval base. He said Cuba is now free to exercise its own foreign policy.

The lone oppositionist in the Senate said the Americans can return their military facilities [as published] in the Philippines after the dissolution of the MDT on condition that they open their entire domestic market without restrictions to goods produced and manufactured in the Philippines as well as the services of Filipino professionals.

"We must also do this with Japan (open its market for RP goods and services) because it is (benefiting from) the presence of American forces in the Philippines," Enrile said.

He said the Americans and the Japanese should both reschedule favorable and acceptable terms for a period equal to the extension of the lease of the U.S. bases here.

"We will take care of our own defense, if (the Americans) open their markets to us just like what they did to Taiwan, South Korea, and Japan to help them," Enrile said. "Then we can afford our own defense."

He added: "We can then convert the military relationship between the Philippines and the (United States) to a purely economic relationship."

He explained that the MDT came after the Military Bases Agreement was signed under pressure from the Americans, hence, the MDT is not included in the package deal involving the MBA. [passage omitted]

Proposal Draws Mixed Reactions
HK0202104189 Manila Radio Veritas in Tagalog
0700 GMT 2 Feb 89

[Text] Senator Neptali Gonzalez opposed Senator Juan Ponce Enrile's proposal to end the mutual defense pact between the Philippines and the United States. However, he said that some amendments could be made in the next negotiations. Senators Leticia Shahani and Aquilino Pimentel supported Enrile, who said that the defense pact that was agreed upon in 1951 is no longer applicable.

Australian Minister on Bases, Aid
HK0102132589 Manila THE MANILA CHRONICLE
in English 1 Feb 89 p 5

[Interview with Australian Minister of Foreign Affairs and Trade Gareth Evans by CHRONICLE Editor in Chief Amando Doronila—date and place not given]

[Text] [Doronila] Do you expect the U.S. bases to stay in the Philippines by the year 2000?

[Evans] It's not so much our strategic interests as that of the region generally in getting security maintained and keeping a balance in terms of the overall military structures that apply in the region. We've been in favor, we've said so publicly of the retention of the U.S. bases, although of course, we do acknowledge that at the end of the day, it is a matter for the Philippines and the U.S. to resolve bilaterally.

I've been spending a lot of time, of course, discussing this issue trying to get a fix on the likelihood of the bases being in fact closed by the Philippines come 1992, when the lease comes up really for treaty ratification, and it's a very complex issue on which opinion is strongly divided here, and they're weighing as a nation the competing claims of regional security, of national sovereignty, the desire to get out from under an environment where they're seen as just being, perhaps, over responsive to United States concerns rather than national concerns, and people are also weighing the economic impact of the bases which contribute after all something like five percent of the gross domestic product (the national economy) so it's a hugely complex issue and I think ultimately that prospects are reasonable for some sort of compromise being reached, but it's an issue that is a very tricky one and one that's going to be a very volatile one in Philippine politics for the next couple of years.

We believe that the regional and the national security balance is far better maintained with a U.S. presence than in its absence—unless of course peace breaks out in so dramatic and permanent scale internationally that the whole traditional thought patterns we have about regional security, international security balance have to be rethought.

[Doronila] So what will be the effect for Australia of the removal of U.S. forces and facilities in the Philippines, without necessarily removing their presence in the Pacific? Would that mean reassessment of your own defense posture?

[Evans] I don't want to speculate on that contingency which we very much hope, as I've said, will be avoided. Australia's defense posture is essentially one of self-reliance. We would of course, in any set of circumstances, maintain that. We have been playing something of a regional role, in particular through our involvement in the five-power defense arrangement with, among others, Malaysia and Singapore, and there is some scope for expansion of that but beyond that I can't speculate.

By virtue of our white paper, Defense Reorganization and Rearticulation of Defense Strategy, we've already got a more credible role both in terms of defense, self-reliance and protecting ourselves, and also in terms of our capacity to contribute to overall regional security. There have been discussions, as you may be aware, with my colleague (Defense Minister) Kim Beasley about the operation of the five power defense arrangement between Singapore and Malaysia and a possible, slightly expanded or extended role for Australia there, but I don't think it's a matter of Australia becoming any more prominent than that. We are just perceived as a significant regional player in our own right as well as having views that must be taken into account and will be taken into account as these other great regional security problems like the future of the U.S. bases are resolved.

[Doronila] What is your reaction to the Soviet political and economic initiatives in the Pacific following the Vladivostok speech of Mr Gorbachev?

[Evans] Well, so far it's excellent public relations. But the proposals have not had the same substance or credibility as those made for Europe. There has been an obvious asymmetry involved in some of the tradeoffs proposed, most obviously the swapping of the Philippines bases for Cam Ranh Bay. When I say swapping, I mean mutual trade off.

[Doronila] You have something like 29 million Australian dollars in assistance this year. Is it going to be a component of the Philippine Aid Program (PAP) or is there going to be forthcoming new money for the aid program?

[Evans] Well, I would hope that some additional money for the PAP could be forthcoming but it's simply premature for me to speculate at this stage as to how much.

We've still got the PAP process to go through over the next six months or so. I still have the domestic budgetary cycle to confront, so I just can't be definitive right now.

[Doronila] Is parliament receptive to new aid proposals for the Philippines?

[Evans] I think there is still in Australia enormous residue of sympathy, respect, in fact, affection for the post-1986 Aquino administration—although that has been tempered by growing concern over human rights issues in recent times and growing concern that human rights issues are not being tackled as robustly as people had hoped with the change of regime. But on balance, the steadily increasing linkages, particularly with migration together with our desire to help the Philippines get into take-off mode, really means that I think we're pretty sympathetic to this sort of proposals.

[Doronila] Going back to the aid program, what do you think is the acceptable way to organize the aid, and what role would Australia like to have in it?

[Evans] I would honestly prefer not to speculate about that at this stage. There's a number of organizational models that are being considered at the moment and Australia hasn't firmly decided. The position, obviously, is going to be the subject of a lot of consultation and discussion, both internally here and in the donor countries, leading up to a donor conference, scheduled to be held here, and I think I just prefer to hold back on that.

[Doronila] After three years, do you consider this government politically stable or not, considering the relationship between the civilian authorities and the armed forces?

[Evans] Obviously there are continuing built-in tendencies towards volatility, but things seem to have stabilized.

Unquestionably part of the impulse behind the insurgency movement over recent years and the general disaffection has been the very poor socio-economic conditions and the kind of infrastructure development and national economic development that our aid would hopefully contribute to would be very much part of resolving that problem.

Ramos Cites Declines in Guerrilla Strength

HK0202025189 Manila Far East Broadcasting Company in English 2300 GMT 1 Feb 89

[Text] Defense Secretary Fidel Ramos says large-scale demoralization has hit the Communist Party of the Philippines [CPP] following the purging of suspected deep-penetration agents from its military arm, the New People's Army [NPA]. He said 30 CPP-NPA members in metro Manila were purged last year. Ramos said that this development shows that the cracks and weaknesses of the CPP-NPA are evidently beginning to appear. The government's counterinsurgency operations last year

resulted in the neutralization of 3,976 rebels and their supporters and sympathizers, including 1,065 guerrillas killed. Ramos said NPA-influenced barangays have also been reduced from 3,066 in 1987 to only 2,853 at the end of last year.

Budget Cuts Said Affecting Militia Program
HK0202070189 Manila PHILIPPINE DAILY GLOBE
in English 2 Feb 89 p 6

[Text] Top defense and military officials told the cabinet yesterday that budget cuts have rendered the government militia program inadequate in protecting many villages threatened by communist-led insurgents.

Defense Secretary Fidel Ramos, quoting portions of the Armed Forces' briefing given to the cabinet at Malacanang yesterday, said that to make up for the deficiencies in the Citizens Armed Forces Geographical Unit [CAFGU] setup, the AFP [Armed Forces of the Philippines] has been stepping up its field operations.

Congress reduced by P200 million the 1989 allocation for the CAFGU from P585 million to P385 million amid objections from defense planners.

With the original amount, Ramos said that AFP had intended to organize an 80,000-strong CAFGU militia force that would augment AFP regular units, according to the government's revised counterinsurgency program.

AFP Chief of Staff Gen. Renato de Villa submitted yesterday his year-end report to the cabinet, but President Aquino could not immediately take up the report because she was indisposed. The report was received by Executive Secretary Catalino Macaraig Jr.

In his report, De Villa said the AFP posted nonetheless significant gains in its campaign against the rebels, causing a four-percent reduction in the number of barangays classified as "heavily influenced" by the communist-led New People's Army [NPA].

However, De Villa said that despite military initiatives the problem of protecting communities threatened by the NPA persists.

Ramos said the AFP also reduced "by a significant ratio" the number of NPA-initiated armed attacks on government security forces, although he did not give any statistics.

Military estimates place the NPA strength at about 23,000 to 25,000 regulars as of the middle of last year. But Ramos said yesterday the figure has been reduced by eight percent by the end of 1988.

Ramos said the AFP also has reversed the firearms-recovery ratio in field encounters in favor of the government, adding that it is now the AFP which has been conducting "agaw-arms [arms grabbing]" operations against the rebels.

Ramos did not say what recommendation the AFP made in its assessment of the insurgency situation, but added there should be no letup in operations.

U.S. Accused of Seeking To Discredit MNLF
HK0202094789 Manila Radio Veritas in Tagalog
0700 GMT 2 Feb 89

[Text] The United States is responsible for the campaign to ruin the Moro National Liberation Front's [MNLF] integrity.

According to Uztadz Zain Jali, the United States could have spread the erroneous report on MNLF Chairman Nur Misuari having been ignored three times by Libyan leader Mu'ammarr al-Qadhafi.

The Philippine representative to Tripoli earlier said that Al-Qadhafi had refused to see Misuari during his visit to Libya last December.

Agreement in Talks on IMF Credit Package
HK0202082589 Manila Radio Veritas in Tagalog
0700 GMT 2 Feb 89

[Text] There are strong indications that the \$1.3-billion credit package will be signed between the IMF [International Monetary Fund] and the Philippines. Both panels seem to have agreed on major features of the credit package. The IMF has expressed support for the country's 6.5 percent growth target for 1989. Finance Secretary Vicente Jayme added that there will be no new tax measures this year. The Philippines will instead intensify its efforts to collect taxes and customs duties, and improve operations of government-owned corporations.

The meeting between President Aquino, the IMF panel, and the Philippine panel, headed by Secretary Jayme and Central Bank Governor Jose Fernandez, took place this morning. In an interview after the meeting, Jayme mentioned other provisions in the credit package approved by the IMF.

[Begin Jayme recording in English] [Word indistinct] reported to the president the result of our meetings over the last 3 days touching on the major policy issues that are important in drawing up a concrete program for the Philippines. We have reached some understanding on these issues. One is, as both agreed, that the target of growth will be 6.5, which is the level of growth that the cabinet has approved. And this will be the starting point.

Secondly, we have also agreed that there will be no tax measures in 1989—that we will work mainly on the basis of improving the administrative and collection machinery of both the Bureau of Internal Revenue as well as the Bureau of Customs, and improve on the operations of the government corporations.

Three, we have also reached the understanding that we will maintain the level of capital investments that is needed to attain the level of growth that we have set for ourselves. And that even if there should be, just in case, a slight shortage of revenue, we will strive to maintain the level of capital investments. In this connection, we have also reached the understanding that there are areas—like the expansion of power, which is critical to push development—that we would like to see that the programs and the projects are carried out in accordance with our schedule. And in this connection, the sooner we will draw long-term funds from foreign sources. This will be allowed to be excluded from the borrowing ceiling that we may have to impose. So what we are really saying is capital investments will be very important, and we will want to carry through with that. [end recording]

Secretary Jayme also mentioned that the IMF working group will arrive in Manila in 2 weeks. They will outline the government's development program.

IMF director for Asian department, Prad Habar Narvekar, was among those who held a meeting with President Aquino. He gave his views on the Philippine economic situation.

[Begin Narvekar recording in English] The performance of the Philippine economy for the past 2 or 3 years—the growth has been very good, very impressive, employment has increased, the inflation is well under control, balance of payment situation has been under control. I suppose that these are all areas which we have thought are indicative to very strong performance, and for which a good deal of credit has to be given to the [word indistinct]. Now, in addition also, of course the authorities have carried out all the external economic relations in a very responsible way, which I think in the long run is going to be beneficial to the country. [end recording]

Aquino Satisfied With Talks Progress
*HK0202103589 Quezon City Radyo ng Bayan
in Tagalog 1000 GMT 2 Feb 89*

[Text] President Aquino was satisfied over the progress of the IMF-RP [International Monetary Fund-Republic of the Philippines] talks regarding new loans to the country. Negotiators from both panels met with the president this morning. Sel Baisa reports:

[Begin recording] In the meeting, the chief executive noted the immediate action undertaken in order to speed up the Philippines' economic recovery. The IMF, on the other hand, expressed its desire to end the negotiations soon, the result of which will be beneficial to the majority of Filipinos. [end recording]

Manglapus Meets Japanese, U.S. Aid Officials
*OW0102174389 Tokyo KYODO in English 1244 GMT
1 Feb 89*

[Text] Manila, Feb 1 KYODO—Japanese and American officials on Wednesday expressed their full support for a multination aid plan for the Philippines but gave no firm commitment on the amounts Tokyo and Washington will give to the program.

Koichiro Matsuura, director general of the Economic Cooperation Bureau of the Japanese Foreign Ministry, also said he was "closely following" progress of talks between the Philippines and the International Monetary Fund (IMF) on Manila's request for 1.3 billion dollars in fresh loans.

Alan Woods, administrator of the U.S. Agency for International Development (USAID), indicated that portions of the compensation package for the use of U.S. bases in the Philippines will form part of Washington's contribution to the aid program.

Woods said the Philippine Government was "taking good steps" to implement the plan and has "appointed a very fine man to head the Philippine side."

The two officials spoke with reporters after a one-hour meeting with Foreign Secretary Raul Manglapus. They were to meet on Thursday with businessman Roberto Villanueva, who will head the government's council in charge of the aid plan.

Matsuura declined to mention the sum Tokyo will contribute to the plan referred to by Washington as the multilateral aid initiative.

"In light of the traditional ties between Japan and the Philippines, we want to do everything to help the Philippine Government in its efforts toward sustainable growth and economic performance," he said.

He expressed hope that his talks here would accelerate implementation of the program which has been dubbed by the Philippine press as the mini Marshall Plan after the massive assistance given to rehabilitate postwar Western Europe.

The plan calls for some 5 billion dollars to 10 billion dollars in official and private assistance to the Philippines over a period of five years.

Talks on the aid plan coincide with negotiations for fresh loans between Manila and the IMF which have been stalled due to differences over policy issues.

Finance Secretary Vicente Jayme has said that prospective participants in the Philippine aid plan, who are also among the country's creditors, are watching the talks because they "want to know the framework against which they will making their contribution."

Villanueva also briefed the cabinet on the objectives and scope of the aid program on Wednesday.

"The main thrust (of the plan) will be the reduction of poverty. It will be production-oriented and it will be geared to channelling resources to the countryside," he told reporters.

He stressed that emphasis will be put on creating jobs in order to increase the overall productive capacity of the economy. He also said production will be export-oriented in the beginning to raise much-needed foreign exchange.

Meanwhile, the USAID administrator, who will also discuss bilateral aid issues with Philippine officials, said he will insist on linking "policy dialogue" with the disbursement of the economic support fund (ESF) which forms part of the bases compensation package.

The government's National Economic Development Authority (NEDA) has rejected "policy conditionalities" USAID has set for the disbursement of 248 million dollars in ESF of the 948 million dollar compensation package for 1990-1991.

A NEDA briefing paper for the cabinet last week said USAID wanted to allocate 200 million dollars of ESF to finance part of the country's 1 billion dollar budget deficit and the remaining 48 million dollars for project financing.

"If it is compensation for the use of the military bases, it should be totally within the Philippine Government's authority to allocate in a manner (it) considers most fitting," NEDA said.

Malaysian Maltreatment of Journalists Unconfirmed
HK0202024789 Manila Far East Broadcasting Company in English 2300 GMT 1 Feb 89

[Text] The Department of Foreign Affairs [DFA] has not received, as of yesterday, confirmation of the reported maltreatment of 24 Filipino journalists in the Dipayao military detention center near Kota Kinabalu in Sabah. Earlier, a newspaper account revealed a letter about the alleged maltreatment of the Filipinos by the Malaysian security forces. The letter was written by one of the 24 journalists. It was smuggled and sent to the local chapter

of the Kapisanan ng mga Brodkasters sa Pilipinas [Guild of Philippine Broadcasters]. The DFA, through the Philippine Embassy in Kuala Lumpur, is still investigating the alleged maltreatment.

Meantime, the next Philippine-Malaysian bilateral talks on the disputed overlapping boundary in the South China Sea will be held in the first week of March 1989. Both parties agreed to work for the speedy resolution of the problems [words indistinct]. The Philippine hopes to reach a temporary agreement to allow fishermen from both countries to fish peacefully in the disputed areas while a more definite settlement is being worked out. No such agreement was reached recently.

SRV Embassy Official on Trade Possibilities
HK0202055589 Manila BUSINESS STAR in English 2 Feb 89 p 12

[By Francis B. de Guzman]

[Text] A big number of Philippine firms are exploring possibilities on trade with socialist Asian neighbor Vietnam. Business negotiations involving construction materials, agricultural products, furnitures and hotel servicing are now going on.

This bright star over the horizon for both the Philippines' private sector and Vietnam was revealed by Do Ngoc Son, second secretary of the Vietnamese Embassy who told the BUSINESS STAR that his country's new open-door policy and reconstruction program known as "doi moi"—the equivalent of the Soviet Union's "perestroika"—has given new lift to the low trade experienced by the government in the past several years following Vietnam's problems on Kampuchea.

Do Son cited one Philippine firm, Phil-Imex Co., a recent exhibitor at the just-concluded Philippine International Trade Fair (PITF). He said Phil-Imex has been doing business with Vietnam since 1987 and representing it in trade exhibits featuring major Vietnamese exports like lacquer, ceramics and other handicraft products like bamboo curtains.

"Since both the Philippines and our country have just started a series of economic discussions, we firmly believe that the future of trade between your country, particularly the private sector groups, and our country will do well for trade development in this part of the world," he added.

Do Son said that in the past, most trading was done by the Philippine private sector or through third countries, and that this involved mostly agricultural products. He said he foresees that with the new economic cooperation between the Philippine Government and Vietnam following the successful trade mission of Trade Under Secretary Raul Boncan, both countries would complement each other. He

added that one of the new developments in his country is the use of high-technology (computers) in the economic management program this year.

"Just recently, our country passed a new law on foreign investments and it is in this area where we are likewise inviting Filipino businessmen and investors to come in," Do Son said.

Among the salient features of Vietnam's new law on foreign investments is a very interesting provision which states that "foreign organizations or persons may invest in Vietnam in different sectors of the national economy." The Vietnamese state encourages investments by foreign organizations or persons in the following areas:

- Implementation of major economic programs, export production and production of import-substitution products;
- High-technology industries using skilled labor, intensive investment for exploitation and exhaustive utilization of possibilities and for raising the output capacities of the existing economic establishments;
- Labor-intensive production using materials and natural resources available in Vietnam;
- Building of infrastructure; and
- Foreign currency-earning services: tourism, ship repair, airport, seaport services and other services.

Do Son added, citing the new economic decree, that "depending on the branch or sector of its investment, the scale of its capital investment, the volume of its exports, its nature and duration, a joint venture may be exempted by the state organ for management of foreign investment from payment of income tax for a maximum period of two years counting from the first profit-making years and allowed a 50-percent reduction of income tax for a maximum period of two succeeding years."

New Zealand Assists Afforestation Project
HK0202062389 Manila BUSINESS WORLD
in English 2 Feb 89 p 1

[Text] Foreign Affairs Secretary Raul Manglapus and New Zealand envoy, Allison Stokes, will exchange notes this morning on the 5-year Bukidnon industrial tree plantation project.

Under the project, New Zealand will extend financial and technical assistance until 1993, in the amount of NZ\$1 million (P13.4 million) per year. The Philippine contribution on this undertaking totals P35 million.

Located in Malaybalay, this afforestation project will cover an area of approximately 14,000 hectares to be managed and developed into a commercially sustainable forest plantation that will provide alternative wood resources to the rapidly depleting indigenous timber. The project will be undertaken by the Department of Environment and Natural Resources.

A prepared statement of Sec. Manglapus points to the timely support that the New Zealand Government is extending "as we seek to achieve and maintain ecological balance in our environment as well as the well-being of our people."

New Zealand's support for the country's environmental efforts is the result of discussions with Prime Minister David Lange, when he visited Manila in 1986.

This is the first bilateral agreement concluded by Ambassador Stokes since she assumed her post as envoy to the Philippines last year.

Thailand

Daily on U.S. Military Presence in Area
BK0202011589 Bangkok THE NATION in English
2 Feb 89 p 8

[Article By Toemsak C. Phalanuphap: "Peace Makes U.S. Forward Force Deployment Strategy Obsolete"]

[Excerpts] Admiral Huntington Hardisty, commander in chief of the US Pacific Command, declared in Bangkok last month that the US will continue its strategy of deploying military forces in the Asia-Pacific region where the strategy has worked in keeping peace for over 40 years. But the CINCPAC commander overlooked one obvious fact: Precisely because this strategy was first conceived over four decades ago, it is time the US overhauls its defence posture to adjust to the reality that "peace is breaking out" in this economically booming region.

US military presence in this region grew out of the post-war occupation of Japan. The communist takeover of China in 1949, the defence of Taiwan, and more importantly the Korean War during 1950-53 convinced the US of the need to maintain strong military presence in the Far East to contain communism within the Chinese, North Korean, and Soviet Far Eastern borders. [passage omitted]

The security concerns of Thailand now are drastically different from those of the 1970s. Internal communist insurgency is no longer a serious threat. The external threat from the Vietnamese invasion of Kampuchea (Cambodia was renamed Kampuchea by the Khmer Rouge after their victory in 1975) on Christmas 1978 and military occupation of the country thereafter has been offset by growing security cooperation between Thailand and China. Bangkok actively welcomed the Chinese strategy of "bleeding Vietnam white" after Hanoi refused to withdraw its more than 100,000 troops from Kampuchea. Bangkok joined Beijing in assisting the Khmer resistance forces and establishing in 1982 the Coalition Government of Democratic Kampuchea (CGDK) to group the three resistance factions.

The US military might in the Asia-Pacific region was irrelevant in a conflict such as in Kampuchea. The US has thus played a low-key role in opposing Vietnamese aggression in Kampuchea by covertly aiding the two non-communist factions in the CGDK, assisting Thailand and ASEAN in lobbying for the world's recognition of the CGDK in the UN, and boycotting Vietnam and Kampuchea economically.

The US did not intervene in the bloody turmoils in Sri Lanka and Burma. Neither could the powerful US 7th Fleet do anything to help the government of Maldives when a group of Tamil mercenaries attempted a coup in early November. The coup was crushed by Indian crack troops airlifted into the island nation in the Indian Ocean.

The normalization of Sino-Soviet relations will likely speed up the peace process in Kampuchea. The completion of the Soviet withdrawal from Afghanistan—where US covert military aid to the Mujahidin finally forced Moscow to sue for peace—will cool down another regional hot spot. After that the Korean peninsula will remain the only regional hot spot where US military presence is relevant.

Elsewhere, conflicts are mostly localized with little or no intervention of outside powers (the Soviet Union or China). In the Philippines, for example, the active communist insurgency and the Muslim separatism are serious security threats, but Manila is confident of its own capability to handle them without direct US military involvement. In fact, US bases in the Philippines represent a political liability to the government of President Corazon Aquino. They also are a hindrance to ASEAN's professed policy of establishing a zone of peace, freedom and neutrality, as well as a nuclear-weapon free zone in Southeast Asia.

The US strategy of forward force deployment requires unimpeded freedom of movement for its warships, some of which carry nuclear weapons. Thus the US has opposed ASEAN's nuclear-weapon free zone. It is also indifferent to ASEAN's zone of peace concept.

US leaders, as well as Admiral Hardisty, still justify the US military presence in this region in terms of "power projection" to counter the growing Soviet influence at a time when the Soviet military forces in the Far East have been improving "qualitatively and quantitatively".

In other words, the US is still not entirely certain that the Cold War is actually over after five Reagan-Gorbachev summits and Soviet President Mikhail Gorbachev's pledges on unilateral cuts in conventional forces in Europe as well as in Far Eastern Asia. Gorbachev has also indicated a Soviet intention to dismantle its naval facilities in Cam Ranh Bay, Vietnam.

However, US "power projection" means little to Thailand these days when the Chatchai administration is feverishly pursuing economic opportunities in Indochina—even

before a complete Vietnamese withdrawal from Kampuchea. Prime Minister Gen Chatchai Chunhawan's goal is to turn battlefields in Indochina into marketplaces, where Thai exports and capital are dominant.

Thus Gen Chatchai showed no interest in the visits to Phatthaya of the "USS Carl Vinson" and the "USS Nimitz"—two of the world's largest aircraft carriers—from the US 7th Fleet. His predecessor, Gen Prem Tinsulanon, would not have missed an opportunity to tour these aircraft carriers and watch their air shows.

The US "power projection" means little to Thailand when Thai-US relations have been strained by first the story in THE WASHINGTON POST about alleged embezzlement by Thai military officers involved in the CIA's cover aid programme to the Khmer resistance forces, then the cut in US aid to Thailand, and the cut in GSP [Generalized System of Preference] privileges to Thai exports.

As far as Thailand is concerned, the US might as well reduce its "power projection" activities in this region and divert the money, which would otherwise be wasted in these futile exercises, to assistance programmes for Thailand and other developing countries in the region.

'ASEAN Member' Questions Chatchai-Hun Sen Talks
BK0202013589 Bangkok THE NATION in English
2 Feb 89 p 4

[By Somphong Kittinaradon]

[Excerpt] An ASEAN member has questioned the wisdom of Prime Minister Chatchai Chunhawan's recent meeting with Phnom Penh Premier Hun Sen and predicted that the Vietnamese-backed regime would toughen its stand in the upcoming Jakarta informal talks.

It was the first negative reaction from an ASEAN country to Chatchai's new Indochina initiative.

The name of the ASEAN partner was withheld because of the sensitivity of the issue.

The reaction was relayed by a high-ranking Foreign Ministry official who said that ASEAN's strategy of isolating Vietnam and the People's Republic of Kampuchea (PRK) since Vietnam invaded Kampuchea in 1979 had been effective until Hun Sen's trip to Thailand.

The official said his country appreciated Chatchai's policy of bringing about peace in the region as soon as possible and turning Indochinese nations into marketplaces but added that the Thai leader probably did not foresee the potential adverse consequences of such a move.

He pointed out that Hun Sen's visit appeared to be a "complete turn" on Thailand's Kampuchean policy and it gave the impression that Vietnam and Phnom Penh stand to gain from it.

He also noted that although Hun Sen's visit was described as "informal", Hanoi and PRK exploited it as a "passive recognition" that the regime was in control of Kampuchea and that Thailand felt it imperative to talk to Hun Sen.

Vietnam and PRK scored "psychological advantages" over the resistance Coalition Government of Democratic Kampuchea (CGDK) as a result of the trip, the ASEAN official commented.

The ASEAN country believes that Chatchai's initiative complicated the upcoming Jakarta Informal Meeting (JIM II) by irking Khmer resistance leader Prince Norodom Sihanouk and CGDK Prime Minister Son Sann. Prince Sihanouk said last week he had called off his plan to visit Jakarta during the Kampuchean talks and will also stay away from the Paris peace talks with Hun Sen in April or May.

The ASEAN official said that Vietnam and PRK were fully aware that without the participation of Khmer resistance leaders at the Jakarta negotiations, no progress would be made.

As a result of his "political gains" in Bangkok, Hun Sen could be expected to take a hard-line position at JIM II, the ASEAN official said.

A Thai Foreign Ministry official, however, said while Vietnam and Hun Sen are expected to maintain their substantive positions, Hanoi could tell the PRK premier to try to appear conciliatory and flexible in tactical terms.

"Such a tactic is conceivable if Hun Sen wants to portray himself as a peace promoter to make contrast Prince Sihanouk," commented the Thai official, who asked not to be named.

The ASEAN official said that his country has adhered to the common strategy of maintaining political and economic sanctions against Hanoi and the PRK from the very beginning and has no trade relations with the two Indochinese countries.

He said that although another ASEAN member admitted to having traded with the Indochinese countries, the transactions were made on a "cash-and-carry basis". [passage omitted]

Hun Sen's Offer on Refugees Discussed

BK0202015589 Bangkok BANGKOK POST in English
2 Feb 89 p 4

[Text] A committee for refugee affairs of the Supreme Command held a meeting yesterday to discuss the pledge by People's Republic of Kampuchea Prime Minister Hun Sen to take back Khmer displaced persons from Thailand.

Armed Forces Information Office director-general Lt-Gen Narudon Detpradiyut said the meeting took into consideration current trends and Hun Sen's pledge made during his visit to Thailand.

"We don't know how he would arrange for the return of Khmer people, so we held the meeting to prepare for it," Lt-Gen Narudon said.

He said Thailand has to care for hundreds of thousands of refugees and faced many problems.

Therefore, Thailand has to take every chance to push for a quicker return of the refugees.

Lt-Gen Norudon said next week the Supreme Commander will arrange for reporters to visit refugee camps under the care of the Eastern and Chanthaburi-Trat task forces.

Australian Prime Minister Arrives for Visit

BK0102134489 Bangkok Domestic Service in Thai
1300 GMT 1 Feb 89

[Text] Australian Prime Minister Robert Hawke, Mrs Hazel Hawke, and a delegation of about 20 members arrived at the Air Force Headquarters Airport at 1720 today for an official visit until 6 February.

Present to welcome the group at the airport were Prime Minister General Chatchai Chunhawan and Khunying Bunruan Chunhawan, Deputy Prime Minister Phichai Rattakun, Foreign Minister Air Chief Marshal Sitthi Sawetsila, and a number of high-level military and civilian officials.

At the airport, the Australian prime minister, accompanied by Prime Minister Gen Chatchai Chunhawan, reviewed the honor guard. Soldiers fired 19-gun salutes. Prime Minister Chatchai then introduced the Australian prime minister to the Thai officials present to welcome him, and led him to the reception room to meet members of the diplomatic corps. Prime Minister Chatchai then accompanied the Australian prime minister and his delegation to their residence.

Prime Minister Gen Chatchai will host a dinner reception in honor of the Australian prime minister at Government House tomorrow at 1900.

Chatchai Receives Hawke

BK0202064289 Bangkok Domestic Service in Thai
0530 GMT 2 Feb 89

[Text] This morning visiting Australian Prime Minister Robert Hawke called on Prime Minister General Chatchai Chunhawan at Government House for official discussions. Exchanging views on the Cambodian problem, the Australian prime minister felt that the overall world situation at the national and international levels has improved. In particular, there have been several new steps forward in the Cambodian problem. The prime

minister said he was pleased that all parties concerned will participate in the second Jakarta informal meeting, where it is anticipated that accords will be reached that would solve the problem, such as on a cease-fire, establishment of a control committee and possibly a coalition government of the four Cambodian factions, and an election.

The Australian prime minister expressed interest in the bridge across the Mekong River and in providing assistance for its construction. The Thai side gladly took note of the offer.

Prime Minister To Visit India in March

BK0202023589 Bangkok *THE NATION* in English
2 Feb 89 p 3

[Text] Prime Minister Chatchai Chunhawan will visit India in March and is expected to discuss the Kampuchean conflict with Indian leader Rajiv Gandhi, a deputy government spokesman said yesterday.

Speaking to reporters after a meeting between Chatchai and India's Minister of State for External Affairs Natwar Singh, Likhit Hongladarom said India regarded Thailand's current efforts to settle the conflict as a new step towards peace in Indochina.

India recognizes the Vietnam-installed Phnom Penh government, while Thailand supports the resistance coalition fighting the regime.

Foreign Minister Sitthi Sawetsila met Singh on Monday and urged India to persuade Phnom Penh to soften its attitude toward the three resistance factions.

Nguyen Van Linh, the secretary-general of Vietnam's Communist Party, and Vietnamese Foreign Minister Nguyen Co Thach visited India last week. "The Vietnamese consider Thailand's role very important," Likit quoted Singh as telling Chatchai.

The spokesman said Chatchai also briefed Singh during their meeting at the prime minister's Soi Ratchakru residence on his recent meetings with Phnom Penh leader Hun Sen and the leaders of the Khmer resistance groups.

Likhit said Chatchai will visit India in March at Gandhi's invitation and will be accompanied by representatives of the Chamber of Commerce, the Federation of Thai Industries and the Thai Bankers' Association.

Parliament President on Trade With Indochina

BK0202024589 Bangkok *BANGKOK POST* in English
2 Feb 89 p 4

[Text] The Government's foreign trade policy for market openings in other countries, including Indochinese states, is compatible with Parliament's policy, said Parliament President Ukrit Mongkhonawin yesterday.

Mr Ukrit agreed Thailand cannot rely only on certain export markets but has to secure many others. "I think everyone would agree that market expansion for Thai products in other countries, regardless of political rule, should be the right thing to do," he said.

However, he cautioned that Thailand should not have "Pipedreams" about trade with Indochinese countries because they still have a lot of economic problems and little purchasing power.

But, he said, Thailand should realise which countries are "true friends" and which are "fake friends" without making hostile gestures, the Parliament president said.

Rules on Trading Eased

BK0202021989 Bangkok *THE NATION* in English
2 Feb 89 p 13

[By Watchara Churunsantikun]

[Text] The Bank of Thailand plans to ease exchange control in a move to make the Thai baht the main currency used to finance trade between Indochinese countries, beginning with trade transactions with Laos, according to Bank of Thailand Deputy Governor Chawalit Thanachanan.

To further expose the baht regionally, Finance Minister Pramuan Saphawasu has indicated his support for the currency to be part of the proposed ASEAN Currency Unit (ACU), which will have similar characteristics as the European Currency Unit (ECU).

Chawalit said yesterday that the Bank of Thailand was reviewing the law governing the flow of baht in and out of the country. No legal obstacle has been detected to making it the currency used in financing trade among Indochinese nations.

To facilitate the trade, the Bank of Thailand will either ease the exchange control on the baht on a case-by-case basis or make a general announcement requiring compliance by commercial banks and the private sector.

The central bank will permit Laotian businessmen to open non-residential accounts with Thai banks to help provide convenient fund transfers, a move that will test the acceptance of the Thai baht as the accepted currency in Indochinese countries, Chawalit said.

The acceptance will have regional boundaries, but will have similar characteristics as the US dollar, German mark, French franc and pound sterling, which are currencies used to finance world trade.

"We think that the baht is a hard currency and as good as the US dollar. The baht can be used as the exchange medium to finance regional trade," the deputy governor said.

The Bank of Thailand plans also to ease regulations requiring payment for Thai exports to Laos in baht and not according to the conventional payment in major currencies, once the thrust to enter full scale trade with Indochinese countries is enforced by the government.

Chawalit does not anticipate problems from Thais in accepting payment in baht from and conditions imposed by the Laotian authorities, as well as the economic prospects of the country.

He said the thrust to make Indochina into an "enlarged" internal market will depend on the decision by the private sector under support from the government and the military.

Narong Sisa-an, senior executive vice president of Thai Farmers Bank said permission for Laotians to open non-resident accounts here will greatly help settlement of payments. He added that the use of the baht in trade transactions will also do away with the foreign exchange risk and some administrative costs.

Meanwhile, Chawalit said the progress to set up ASEAN Currency Unit depends on acceptance by the business community.

Raided Arms Cache Suspected Libyan Bound

*BK0202073589 Bangkok KHAO PHISSET in Thai
18-24 Jan 89 p 21, 22*

[Article: "Raid of RPG Plant—A Game or a Watch on Libya"]

[Text] On 12 January morning a senior police officer in the metropolitan police headquarters received a phone call from a senior army officer. The police officer furrowed his brow and spoke tonelessly, reflecting his preoccupation.

The investigation section of the north metropolitan police, headed by Police Colonel Khamnung Thamkasem, held an urgent meeting to map out an operation to immediately arrest a male suspect. Police Lt Gen Manat Khrutchaiyan, the metropolitan police commissioner, presided.

There are five teams in the operation, each monitored the locations which the suspect might frequent. The arresting team was instructed to merely take the suspect into custody for interrogation by investigation officers of the Bang Khen police station. Senior police officers, such as Lt Gen Manat and Maj Gen Prasong Wasikanon, commander of the north metropolitan police, would join the investigators and coordinate with "external intelligence units."

Lt Gen Manat canceled his other engagements. Meanwhile, his buddy Maj Gen Prasong left the metropolitan police headquarters and never returned that day.

Police Lt Col Phadet Thalawong, deputy chief of the north metropolitan police investigation section, and another deputy section chief led a unit to surround a house which sources reported to be the plant producing war weapons and explosives in Si Chan Lane, Muban Si Rap Suk on Wiphawadi Road near the Lak Si intersection, Bang Khen District, Bangkok.

Policemen involved in the operation were told strictly not to use hand held radio sets. Their only task was to take the suspect to the Bang Khen police station; anything beyond was not their business. They did not even know the status of the suspect. Nor did they know if it was part of a political game with some hidden motives, similar to what had occurred the year before.

The arresting team members did not know who the suspect was or his position. Nor did they know what would happen afterward. Everything was "top secret."

Other police units which were assigned to monitor other pertinent sites had no radio contact with each other. Everything proceeded quietly.

Less than an hour afterward, the police unit under Lt Col Phadet and Kittibun raided the main house in Si Chan Lane which an "arms merchant" was supposed to live and which had for 5 months been the site of "S.P.C. Company."

Uthai Thiambunchit, about 40 years old, was arrested at the house. Inside police found large rocket tips, wooden molds for molding lethal explosive tips and dozen other weapons whose appearances are similar to rockets used by combat aircraft.

Uthai would only say that the company merely stored the explosives and acted as a selling point. But "intelligence" from a source outside the Police Department specified that the company manufactured and distributed those war weapons and explosives up country and foreign countries, particularly "Libya."

Uthai was brought to the Bang Khen police station and interrogated by Lt Gen Manat, Maj Gen Prasong, and Lt Col Anuchai Lekbamrung, chief investigator of the station. Lt Col Wanchi Premrudi was summoned immediately to examine the seized RPG tips and other items.

A source said: "The place was like an ordnance depot; there were so many weapons and parts which could be assembled into lethal explosives. Each manufactured piece had great destruction power." He also noted that some military officers joined in interrogating Uthai at the police station.

Uthai would only say that Somsak Saksamoophon was the manager of the S.P.C. Company and that he knew nothing in depth about the company. Meanwhile, a source of a

senior police officer who had coordination with the military claimed that Sombat [as published] was merely a puppet and was not present during the police raid.

Further investigations revealed that the export of the lethal products was carried out by several import-export companies, particularly "Harperfect Company" on Rama 4 Road, Bang Rak, Bangkok, which performed the service more times than any other companies. The war weapons and explosives could be packed along with other products, such as clothes and construction materials. The shipment was coordinated with the sending of Thai workers to Libya. For this reason, the export of construction materials under which the lethal products were hidden could be accomplished without suspicion by officials concerned.

The police searched the "Harperfect Company" that afternoon and confiscated thousands of documents itemizing exported products. The manager of the company disappeared without traces. However, the documents showed that the S.P.C. Company exported products through the "Harperfect Company" and destination of the products was Libya.

The police treated this information as top secret and took Uthai for further interrogation at the riot suppression section located in the compound of the metropolitan police school, Bang Khen.

Some military units stepped up their verification of the acquired information, while the arresting police unit became ever more puzzled and withdrew itself from the case because its task was only to take the target for investigation.

The entire metropolitan police had no knowledge about the case. They only knew later than the case was "secret" and were told to keep it that way for the reason that the case could affect relations between Thailand and other countries.

But some policemen became suspicious of what happened and tried to double check whether the case "had political implications" and whether the police department had become the tool for some kind of games.

A source disclosed that some police units have continued to follow up on other leads. About 20 employees of the S.P.C. Company were interrogated. Uthai was charged with possession of unauthorized weapons and ammunition. Four to five company employees have been designated as potential witnesses for the prosecution.

No military representatives have identified themselves with the case. The police director, Police Gen Phao Sarasin, has kept a low profile, unlike what he did in the antimonarchy leaflet case. Lt Gen Manat and Maj Gen Prasong appeared puzzled by the case.

Suan Rudi [site of Internal Security Operations Command and Army Operations Center] has been examining the case vigorously and studying what action to take after the arrest. An inside source said the unit which knew the most about the case is the Armed Forces Security Center.

A police source said: "If the whole thing is not a game, I fear the case could affect Thai-U.S. relations. The United States may wonder how could Thai authorities let merchants manufacture arms and export them to Libya."

Vietnam

Tet Get-Together Activities Reported

SRV, PRC Hosted Event

BK0102154489 Hanoi PRC Domestic Service in Vietnamese
1430 GMT 1 Feb 89

[Text] On the anniversary of Tet, the Year of the Snake, the traditional lunar new year festival of the Vietnamese and Chinese peoples, our Ambassador to China, Nguyen Minh Phuong held a cordial get-together with representatives of the Foreign Ministry, the Association for Friendship With Foreign Countries, and various services concerned on 31 January. Our embassy cadres and staffers and the representatives of the Chinese services welcomed the spring festival amid a friendly and joyous atmosphere.

On the same day, Chinese Ambassador Li Shichun also hosted a film show in Hanoi. Representatives of the Foreign Ministry, the Vietnam-China Friendship Association, and the services concerned of Vietnam attended the show and welcomed the Tet of the Year of the Snake along with the Chinese cadres and staffers.

Gathering in Hanoi

BK0102154189 Hanoi VNA in English 1521 GMT
1 Feb 89

[Text] Hanoi VNA Feb. 1—The Vietnam Union of Peace, Solidarity and Friendship Organizations held a get-together with diplomatic envoys of Southeast Asian countries here this afternoon on the occasion of the lunar new year.

Present on this occasion were, among others, Mrs Nguyen Thi Binh, president of the host union; Tran Hoan, minister of information; and ambassadors and charges d'affaires A.I. of Southeast Asian countries in Hanoi.

In her speech, Mrs Nguyen Thi Binh extended her best wishes to all those present. She also expressed her hope for further consolidation and development of the friendship and cooperation between Vietnam and other countries in the region on the basis of mutual benefits.

The gathering was followed by a dancing and singing festival to welcome the traditional lunar new year festival of Vietnam.

PRC, SRV Groups Feted

*BK0202083489 Hanoi VNA in English 0731 GMT
2 Feb 89*

[Text] Hanoi VNA Feb 2—The Commission for Mass Mobilization and Front Work of the Central Committee of the Communist Party of Vietnam arranged a get-together here with representatives of the Hoa people (Vietnamese of Chinese origin) working in various services in Hanoi on the occasion of Vietnam's traditional lunar new year festival.

Speaking at the get-together, Nguyen Tam Ngo, deputy head of the sponsor commission, reaffirmed the fine tradition of the Hoa people who have contributed to the national construction and defence. He spoke of the Vietnamese party and government's policy toward the Hoa people, encouraging them to make, together with the Vietnamese people of all nationalities, worthy contributions to the achievement of major tasks in the new revolutionary stage.

Nguyen Co Thach Receives PRK's Sok An

*BK0102152089 Hanoi VNA in English 1515 GMT
1 Feb 89*

[Text] Hanoi VNA Feb. 1—Foreign Minister Nguyen Co Thach received here today Sok An, deputy foreign minister of the People's Republic of Kampuchea.

The reception was also attended by Kampuchean Ambassador Tep Henn.

The Kampuchean diplomat informed Foreign Minister Nguyen Co Thach of the results of the January 25-27 Thailand visit of Chairman of the Council of Ministers Hun Sen.

Foreign Minister Nguyen Co Thach, who is also Politburo member of the CPV Central Committee and vice chairman of the Council of Ministers, welcomed the fine results of Chairman Hun Sen's Thailand visit, describing it as positively contributing to promoting the process of dialogue among countries in the region and rising the prestige of the People's Republic of Kampuchea on the international arena, he said.

Deputy Minister Sok An held talks with Tran Quang Co, alternate member of the Communist Party of Vietnam Central Committee and deputy foreign minister, on bilateral relations and on matters of mutual concern. The two sides reaffirmed that Vietnam and Kampuchea are prepared to attend the second informal meeting in Jakarta (JIM 2) and that they would do their utmost to make it a success.

Australian Parliamentary Delegation Pays Visit *BK0102154789 Hanoi VNA in English 1519 GMT 1 Feb 89*

[Text] Hanoi VNA Feb 1—A delegation of the Australian Parliament led by K. Webb Wright paid a visit to Vietnam from January 28 to February 1, as guest of the Commission for External Relations of the Vietnamese National Assembly.

The Australian guests held talks with a delegation of the host commission, and contacted officials of the Ministry for Foreign Affairs and the Commission for Education and Training of the Communist Party of Vietnam Central Committee to get an insight into the renovation process taking place in the national assembly and the people's councils at all levels as well as in Vietnam's foreign and domestic policies. While here, the Australian delegation paid a floral tribute at the Ho Chi Minh mausoleum. They toured various economic, cultural and health care establishments in Hanoi, Ho Chi Minh City and its neighbouring province of Dong Nai, and the special sector of Vung Tau-Con Dao. They were received by Chairman of the National Assembly Le Quang Dao.

SRV Refugee Officials To Visit Hong Kong

*BK0202120089 Hong Kong AFP in English 1156 GMT
2 Feb 89*

[Text] Hanoi, Feb 2 (AFP)—Vietnamese experts will visit Hong Kong next month to interview 144 Vietnamese refugees who have said they want to return home, a Vietnamese official announced here Thursday.

"Hong Kong has given Vietnam a list of 144 people who want to be repatriated in the first group," Vietnamese Foreign Ministry spokeswoman Ho The Lan said.

"On February 10, a group of Vietnamese experts will go to Hong Kong to interview these people before an official list is submitted to the British side," she said.

Ms Lan also said that Vietnam, Britain and the U.N. High Commissioner for Refugees (UNHCR) are preparing to sign accords on procedure and financing the voluntary return home of Vietnamese refugees from Hong Kong.

Britain and Vietnam signed an accord in London in October under which Vietnam will accept the Vietnamese refugees who wish to leave the British colony and return home.

"According to the agreement, Vietnam will authorize, in principle, the voluntary return of refugees who fled illegally to Hong Kong," Ms Lan said.

"The parties concerned are preparing to sign accords on the methods and financing for repatriating these refugees," she said.

According to the UNHCR, more than 25,000 Vietnamese refugees are currently in Hong Kong, where the government has introduced a screening policy whereby only those considered to be true political refugees can be granted refugee status.

Those considered by Hong Kong to be economic migrants seeking a better life abroad are not eligible for refugee status.

Thai Leader Calls for Expanded Trade Cited

BK0102125489 Hanoi Domestic Service in Vietnamese
1430 GMT 31 Jan 89

[Text] According to foreign sources, in an address to members of the Bangkok Business Club for Development on 30 January, Thai Prime Minister Chatchai Chunhawan encouraged Thai businessmen to expand trade relations with the Indochinese countries through the transfer of technology and joint ventures.

Prime Minister Chatchai said that his plan for the development of business between Thailand and neighboring countries will benefit both sides. He also affirmed that his policy of turning Indochina from a battlefield into a market for Thai goods will serve Thailand's long-term interests.

Albanian Women Delegation Pays 10-Day Visit

BK0102155489 Hanoi VNA in English 1512 GMT
1 Feb 89

[Text] Hanoi VNA Feb. 1—A delegation of the Women's Union of Albania led by its Secretary General Valentina Leskaj has paid a ten-day visit to Vietnam ending on January 27.

While here, the Albanian guests laid a wreath at the Ho Chi Minh Mausoleum and visited the late president's home and office. They also called at the museums of revolution and fine arts, a gallery showing the South Vietnamese women's tradition of struggle, and some production establishments here and in Ho Chi Minh City. They had contact with officials of the Vietnamese Women's Union, and its Hanoi chapter.

Before its departure the delegation was received by Tran Xuan Bach, secretary of the Communist Party of Vietnam Central Committee, who praised the growing friendship between the people of Vietnam and Albania. For her part, Valentina Leskaj expressed her satisfaction at the results of the visit and her conviction that the friendship between the two countries, and especially between the two women organizations, would be further promoted.

PRC, SRV Seek Cooperation in Publication

BK2701160189 Hanoi VNA in English 0710 GMT
27 Jan 89

[Text] Hanoi VNA Jan. 27—The Vietnamese translations of some best-known Chinese classic works have been presented by the literature publishing house to the Chinese Embassy here.

The presentation was made at the office of the Ministry of Culture by Ly Hai Chau, director of the Literature Publishing House, to Zhao Jia Hua, first secretary of the Chinese Embassy.

The books in question are the latest editions of "Journey to the West", "History Book by Si Ma Qian", "Outlaws of Marsh", and "Tang Poetry".

Host and guest expressed their desire to increase cooperation between Vietnam and China in mutual publication of literary works.

Opposition to Afghan Solution Condemned

BK0202082889 Hanoi VNA in English 0727 GMT
2 Feb 89

[Text] Hanoi VNA Feb. 2—"That the U.S, Britain, France, Japan and Austria have declared their embassies in Kabul closed is a move to undermine the Afghan people's revolutionary gains, negate President Najibullah's legal government and help the Afghan reactionaries to abuse power in Afghanistan," notes the Army paper QUAN DOI NHAN DAN in a commentary today.

The paper says: Having followed with deep concern recent developments in Afghanistan, the Vietnamese people fully support the goodwill of the Soviet Union and the Republic of Afghanistan, and demand that the U.S. and other western countries refrain from any acts hostile to the Republic of Afghanistan and respect the Afghan people's independence, sovereignty and self-determination."

"The Afghan question can only be settled if all parties signing the Geneva Accords fulfill their commitments by guaranteeing Afghanistan its status as an independent, unified and sovereign nation and Afghan people their right to decide their own political regime and the path of their national development," the paper underlines.

Council of Ministers Reviews Economic Tasks

BK0202111989 Hanoi International Service in English
1000 GMT 2 Feb 89

[Text] The Vietnamese Council of Ministers met last week to sum up the implementation of the 1988 socio-economic task and discuss that of 1989. Last year, the Vietnamese State promulgated many new policies relating to economic aspects.

The Council of Ministers focused on urgent problems such as the measure taken against inflation and the problem of prices, wages, and money. This year, it will continue expanding economic relations with foreign countries, review its work style, and encourage the people to fulfill the state plan.

Do Muoi Visits Hanoi New Year Book Fair
BK0102091989 Hanoi Domestic Service in Vietnamese
1430 GMT 31 Jan 89

[Text] On the afternoon of 29 January, Do Muoi, chairman of the Council of Ministers, visited the Hanoi Books Fair organized by the Vietnam Book Distribution General Corporation [VBDGC] at the area between the Nguyen Xi and Trang Tien streets, a Voice of Vietnam correspondent reports.

Comrade Do Muoi inspected various book stalls, paying keen attention to the various categories of books on sale at this lunar new year book fair. Comrade Huynh Ngoc Ly, general director of the VBDGC, briefed Chairman Do Muoi on the book distribution service's preparations for and viewpoint on expanding business to get as many good and useful books as possible to readers. Told by Comrade Huynh Ngoc Ly that an average of 10,000 books and other cultural products have been sold daily since the opening of the book fair, Chairman Do Muoi expressed his satisfaction over the fact that, despite the current difficult situation, our people continue to maintain their interest in books and still find pleasure in reading. He urged the book distribution service to make greater efforts to provide its readers with more interesting and good books.

Vo Nguyen Giap Attends Dong Da Symposium
BK0102124689 Hanoi Domestic Service in Vietnamese
1100 GMT 30 Jan 89

[Text] On 30 January in Hanoi, the capital military region command held a symposium on the Ngoc Hoi-Dong Da victory—which took place 200 years ago—and the construction and defense of the capital. Attending the symposium were many history researchers in and outside the army. Also present were General Vo Nguyen Giap and Comrade Pham The Duet, secretary of the Hanoi Municipal Party Committee.

In their statements at the symposium, the participants profoundly analyzed King Quang Trung's military art in comparison with the task of defending the capital at present. They also analyzed the Ngoc Hoi-Dong Da victory, the all-people battle position in King Quang Trung's military strategy, and the people's inward and outward feelings toward Nguyen Hue—King Quang Trung.

Addressing the symposium, General Vo Nguyen Giap said: The Tay Son movement, which culminated in the great victory over nearly 300,000 troops of the Qing army 200 years ago, was a people's war supported by the entire people. Therefore, it was the first mass uprising in

our history that achieved victory on a national scale, overthrowing various corrupt feudalist royal dynasties, unifying the homeland, and changing the situation in the country.

He also suggested that our historians should profoundly analyze the life of Nguyen Hue—a man of creativity, sensitivity, and wisdom in military and diplomatic affairs, especially the art of grasping the situation and the art of using people—and should adopt a history-oriented outlook so that they can fully perceive and highlight the greatness of the Tay Son movement and the significant contributions of Quang Trung's undertaking.

He said: The life of Quang Trung, who at the age of 17 commanded troops in fighting foreign aggressors to unify the country, is an enormously valuable lesson for all younger generations to learn from.

Mai Chi Tho Visits Public Security Unit
BK0102101789 Hanoi Domestic Service in Vietnamese
1430 GMT 31 Jan 89

[Text] On the anniversary Tet, Year of the Snake, on 30 January, Comrade Mai Chi Tho, member of the CPV Central Committee Political Bureau and minister of interior, visited and presented Tet greetings to a number of families of fallen people's public security officers and families credited with numerous meritorious contributions to the cause of national security and public order and safety.

On behalf of the Interior Ministry's leadership, Comrade Mai Chi Tho solicitously inquired after every member of each family and commended their efforts and exemplary conduct in all fields of work at a time when there are still many difficulties and complex problems in their daily life. Heartened by the minister's attention, the families promised to satisfactorily implement his recommendations.

On the same day, Comrade Mai Chi Tho also visited and presented Tet greetings to the public security detachment in Hang Trong Subward, a "determined-to-win" unit Hoan Kiem Ward, Hanoi. Hang Trong is a key locality of the capital as far as public order and security are concerned. Last year, owing to the fine performance of its duties, especially in keeping undesirable elements under watch, the public security unit in Hang Trong Subward wisely relied on the local people and party and administrative committees to find employment for 263 people, thereby helping drastically reduce the number of criminal offenses compared with last year. With these achievements, the unit has proved worthy of being the pacesetter of the emulation movement for national security of the Hanoi public security service.

Grass-roots Organizations Hold Congresses
BK0102095189

[Editorial Report] Between 30 and 31 January, Hanoi Domestic Service in Vietnamese carried two reports on party congresses held at the grass-roots level.

In its 1100 GMT cast on 30 January, Hanoi domestic presents a 2-minute report on the recent 16th congress of party organization delegates of Hoa Binh City in Ha Son Binh province. The report says: "The congress was attended by 244 delegates representing nearly 4,000 party members from 82 party chapters and grass roots party organizations. With a renovative spirit of looking squarely at and accurately assessing the truth, the delegates unanimously reported on the implementation of political tasks during the 1987-88 period by the city party organization. According to the report, "the delegates also contributed many realistic views to the city's orientations and plans for socioeconomic development in the years ahead."

In its press review program at 1000 GMT on 31 January, the radio carries a 1-minute report on an article in the newspaper QUAN DOI NHAN DAN, "reflecting initial new changes that should be noted through grass roots party congresses held by various units of the Air Force." The article says: "In these grass roots party congresses, especially those at the next higher level, democracy and openness were demonstrated most clearly during the process of discussion. Most of the views expressed by the delegates were permeated with the concept of looking squarely at the truth and accurately assessing the actual situation of the party organizations and units."

TAP CHI CONG SAN Reviewed for January
BK0102092189 Hanoi Domestic Service in Vietnamese
1000 GMT 29 Jan 89

[Summary] "We would like to devote today's press review to introducing to you, friends, the January 1989 issue of TAP CHI CONG SAN."

The journal begins with an [unattributed] article entitled: "Major Socioeconomic Plan Targets for 1989." The article calls for "renovating the mechanism of management over the entire economy to unleash the production force, mobilize and exploit the potentials of all economic components, and struggle to broaden economic relations with foreign countries to carry out the vital tasks regarding grain, foodstuffs, commodities, and exports."

Next is an article by Vo Nguyen Giap, vice chairman of the Council of Ministers, entitled: "To Make Science Truly Become a Driving Force for Socioeconomic Development," dealing with the need to apply scientific and technical findings in production and life.

The journal introduces a new feature called "Socialism in Vietnam: Reflection and Renovation." The purpose of this feature, which makes it debut in this January issue, is to contribute to "creating a system of theoretical thinking capable of being used as a basis for the formulation of a socialist revolutionary program in Vietnam." This feature will systematically present the opinions of many authors about the path toward socialism in Vietnam on the basis of making profound, integrated analyses of actual lessons learned by Vietnam.

This new feature begins with an article entitled, "What Is Socialism?" by Nguyen Dang Quang, editor in chief of the journal THEORETICAL INDOCTRINATION [GIAOS DUCJ LYS LUAANJ], providing an explanation to the problem of how the creators of scientific socialism have asked questions about socialism when conceiving and creating it from surrealism. This is followed by an article by Prof Dao Xuan Sam entitled, "The Characteristics of Economic Development in Our Country Along the Socialist Path," which calls for renovating the process of developing the economy from small production to large-scale socialist production and which analyzes the differences between the materialized economy and the commodity-based economy. The article states that the socialist economic system is not necessarily inferior to the capitalist economic system, but rather the materialized economy is no match for the commodity-based economy. Moreover, the commodity-based economy is not a privilege specially reserved for capitalism. Also in this feature is an article entitled, "Regarding the Transitional Period to Socialism in Vietnam" by Le Duc Thuy, holder of a masters degree, which points out that "Vietnam must find a way of advancing to socialism that is qualitatively different from that in the Marxism-Leninism scriptures now being applied in the Soviet Union and in almost all other socialist countries."

Next is the feature: "Studies and Exchanges," which contains two parts, with the first part carrying an article by Van Minh Tan on how the Mekong River Delta has implemented the three major economic programs, and the second part carrying an article by Nguyen The Phan, editor in chief of TAP CHI THONG TIN LY LUAN [THEORETICAL INFORMATION] dealing with the leadership characteristics of the party, its leadership method, and the need to achieve democracy within the party ranks.

In the "Renovation, Ideas, and Experiences" feature, there is an article by Pham Xuan Nguyen, a cadre of the Institute of Literature, dealing with the contemporary question of literary criticism. This is followed by an article entitled, "The Nam Can Joint Marine Product Venture" by Nguyen Thanh Hung, director of the Nam Can joint marine product venture, pointing out prominent experiences learned by the Nam Can district marine products corporation in production and business.

In the "Investigation" feature, the journal carries an article entitled, "Emergency Report," by Tran Sy Nguyen and Vu Ngoc Lan dealing with the alarming degradation in various aspects of the general school education in the mountain region.

Agricultural Production in January Reviewed
BK0102144189 Hanoi Domestic Service in Vietnamese
2300 GMT 31 Jan 89

[Summary] "According to the General Statistics Department, as of 25 January the southern provinces had harvested nearly 1.1 million hectares of 10th-month rice, an increase of 7 percent compared with the same period last year."

"To date localities throughout the country have planted more than 1 million hectares of winter-spring rice, an increase of 24 percent over the same period last year, with the north provinces accounting for only some 160,000 hectares.

"Regarding winter-spring subsidiary crops, to date localities throughout the country have planted 145,000 hectares of corn, an increase of 4 percent over the same period last year; 158,000 hectares of sweet potatoes; 12,000 hectares of manioc; and 53,000 hectares of vegetables and beans, representing only 65 percent of the amount in the same period last year. These localities have also planted 51,200 hectares of annual industrial crops."

In general, the harvesting of 10th-month rice and the planting of winter-spring crops in the south are faster than in the past years. "A many as 40,000 hectares of

winter-spring rice have been ravaged by stem borers, rice armyworms, cotton leaf rollers, and leafhoppers. However, thanks to prompt action by the affected localities, these insects have not done serious harm. The area of winter-spring rice affected in the southern provinces may exceed 100,000 hectares. Particularly in the Long Xuyen quadrangular, it may exceed 80,000 hectares.

"Meanwhile, the area of winter-spring rice is still small. As a result of the recent prolonged cold spell, rice seedlings and riceplants in some areas have withered."

The Ministry of Agriculture and Food Industry urges all localities to pay attention to ensuring sufficient rice seedlings, stepping up soil preparation, economizing on water consumption, making the fullest use of all available manpower to plant rice in February, and caring for buffalo and cattle.

Australia

Full Diplomatic Relations Established With Cuba *BK0202070789 Melbourne Overseas Service in English 0500 GMT 2 Feb 89*

[Text] Australia and Cuba have established full diplomatic relations for the first time since the West Indian island became a communist state under General Fidel Castro 31 years ago.

An agreement signed in Mexico City was designed for the exchange of ambassadors, although neither representative will live in the other country. The Foreign Affairs Ministry in Canberra says Australia's ambassador to Mexico, Mr Bill Farmer, has been accredited to Cuba while Cuba's ambassador in the Philippines, Ms Ana Maria Gonzalez, will be non-resident ambassador to Australia.

The ministry says Australia's relations with Cuba have been improving steadily since consular ties were established in 1973.

Evans Holds Talks With Sihanouk in Beijing *BK0102015589 Melbourne Overseas Service in English 0100 GMT 1 Feb 89*

[Text] Australia's foreign minister, Senator Gareth Evans, says he doubts if talks planned for Jakarta this month will produce a negotiated settlement in Kampuchea. Radio Australia's Beijing correspondent, Trevor Watson, says Senator Evans was speaking in the Chinese capital after a meeting with the Kampuchean resistance leader, Prince Norodom Sihanouk, who has now withdrawn from the peace negotiations.

Prince Sihanouk has demanded that any settlement to the conflict must include the dismantling of the Vietnamese-backed government in Phnom Penh. The prime minister of the Phnom Penh government, Mr Hun Sen, has rejected the demand; and Prince Sihanouk has since said he will not attend the Jakarta meeting.

Senator Evans says that as a result, negotiations on a settlement to the 10-year old Kampuchean conflict are deadlocked.

Fiji

Australian Resident Named Envoy to Canberra *BK0102131289 Sydney THE AUSTRALIAN in English 21-22 Jan 89 p 13*

[Excerpts] Suva: Fiji's ambassador-designate to Australia, Dr Mesake Biumaiwai, will not be afforded diplomatic immunities or privileges when he takes up his Canberra post next month, officials in both countries have confirmed.

This is because Dr Biumaiwai, 56, is an Australian resident as well as a Fiji citizen. [passage omitted]

Fiji's Permanent Secretary for Foreign Affairs, Ms Taufu Vakatale, said Dr Biumaiwai's Australian residency would not cause any problems.

But she admitted officials were unaware of it when his name was first submitted for approval by the Hawke government. [passage omitted]

Rabuka Released After 11-Day Hospital Stay *BK0202105689 Hong Kong AFP in English 1052 GMT 2 Feb 89*

[Text] Suva, Feb 2 (AFP)—Fiji Army leader Major General Sitiveni Rabuka has been released from a military hospital after an 11-day stay, doctors said Thursday.

But no other details were available on the condition of the 40-year-old general who engineered two military coups in the South Pacific country in 1987.

Maj Gen Rabuka fell ill at his home village on Fiji's second-largest island Vanua Levu and was evacuated to the capital by navy patrol boat on January 21.

Visitors were restricted to close family and aides.

An army spokesman said the general, also Fiji's home affairs minister, was expected to rest at home for another week or two before resuming his duties.

Meanwhile, Dr Timoci Bavadra, ousted as prime minister in 1987, said Thursday he was cancelling a trip to London where he was to have met with members of the British Parliament.

He said he preferred to remain at home because of the local political situation, but did not elaborate.

New Zealand

New Cook Islands Government Sworn In *BK0202112389 Melbourne Overseas Service in English 0800 GMT 2 Feb 89*

[Text] A new government has been sworn in in the Cook Islands and reports say the cabinet has started its first meeting.

Meanwhile, the government's majority has been increased by one seat as a result of one member of Parliament previously claimed by the opposition coalition declaring that he is not aligned.

The state of the parties following this development is reported to be Prime Minister Geoffrey Henry's Cook Islands Party 12 of the 24 seats; the opposition coalition, 9; the Democratic Party which supports the government, 2 seats; and 1 independent.

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